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ABSTRACT

This publication describes State funds transmitted to local agencies for the support of elementary and secondary education. Each distribution identified as a separate fund by the State is described in terms of (1) title, (2) legal citation, (3) appropriation for the school year or estimate, (4) percentage of total State funds transmitted, (5) expenditure restrictions, (6) calculation of district allowance, (7) State and local shares of the allowance, (8) district requirements for participation, (9) extent of participation, and (10) distribution schedule. In addition, provisions for school revenue raising and indebtedness at the local level and State budget and audit requirements for school districts are reported. Although technical in nature and intended primarily for persons familiar with the field of school finance, the publication can also be used by lay persons to gain a general understanding of the mechanics of State school finance programs. (Author/MLF)

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PUBLIC SCHOOL FINANCE PROGRAMS, 1968-69
(States and Outlying Areas)

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Previous publications in this series are listed below:

- *Public School Finance Programs of the Forty-Eight States, 1949-50.* (Circular 274)
- *Public School Finance Programs of the United States, 1953-54.* (Misc. No. 22)
- *Public School Finance Programs of the United States, 1957-58.* (OE 22002, Misc. No. 33)
- *Revenue Programs for the Public Schools in the United States, 1959-60.* (OE 22013, Misc. No. 38)
- *Public School Finance Programs, 1966-67.* (GPO 924-786)

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INTRODUCTION

Public School Finance Programs, 1968-69, is the sixth in a series of compendiums prepared by the U.S. Office of Education in cooperation with the 50 States and Outlying Areas in order to provide a concise description of State systems of school support.

3 While the publication is technical in nature and intended primarily for persons familiar with the field of school finance, it can be used by lay persons as well to gain a general understanding of the mechanics of State school finance programs.

1 The primary purpose of the publication is to provide a description of State funds transmitted to local agencies for the support of elementary and secondary education. Each distribution identified as a separate fund by the State is described in terms of the following: (1) title, (2) legal citation, (3) appropriation for the school year or estimate, (4) the percent the fund is of total State funds transmitted to local agencies for the support of elementary and secondary education, (5) expenditure restrictions, (6) calculation of district allowance, (7) State and local shares of the allowance, (8) district requirements for participation, (9) extent of participation, and (10) distribution schedule. Although it was intended that only State programs for the support of elementary and secondary education be reported in this publication, in some instances, programs for the support of adult education and junior colleges were included, particularly if the State considered the programs to be a part of the regular secondary education program. When reported, various State loan programs (usually for capital outlay or debt service) were included in the description, but outlays for these programs were not included in the fund total. Also, a number of States reported outlays for teacher retirement programs, State administrative costs, State-operated institutions, and for other programs where funds were not transmitted to school districts for the support of elementary and secondary schools. Again, these descriptions were included but the outlays were not added to the fund total.

2 In addition to fund descriptions, the publication also reports provisions for school revenue raising and indebtedness at the local level and State budget and audit requirements for school districts.

The report of each State school support program was prepared by a school finance specialist from the individual State in cooperation with the U.S. Office of Education. These specialists are acknowledged on the first page of each State's description.

Two State descriptions (New Jersey and Wyoming) were prepared for the fifth publication in this series in 1966-67 by State finance specialists and Dr. S. Kern Alexander, formerly of the U.S. Office of Education

The Office acknowledges with great appreciation the many State finance specialists whose time and effort made this publication possible.

The editor is particularly indebted to Mrs. Esther A. Oliver, Research Aide U.S. Office of Education, for her substantial contribution to the preparation of format, conduct of correspondence, edit of materials, and assistanc with report procedures, all of which proved invaluable.

ALABAMA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

ALABAMA PUBLIC SCHOOL FINANCE PROGRAM, **1968-69,** is part of a series of individual State documents, cooperatively prepared by the State department of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. **W. H. Kimbrough,** Director, Administration and Finance, Alabama State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 75 percent of the non**federal** revenue for elementary and secondary schools is provided by the State.
2. Almost all of the State revenue for distribution to public school districts is provided through taxes earmarked for the public schools. These taxes include a 3-mill State property tax and thirteen taxes in the Alabama Special Education Trust Fund.
3. Approximately 88.56 percent of the State funds apportioned for public schools is distributed through the State foundation program which provides funds for current operating expenses and capital outlay and debt service.
4. State teacher salary allowances are $6,000 for master's degree teachers; $5,173 for bachelor's degree teachers; $4,178 for teachers with three years of training; $3,523 for teachers with two years of training; and $3,032 for teachers with less than two years of training.
5. Five other State grants provide assistance; Public School Fund distributed on school census for general program support, 6.4 percent; free textbooks, .6 percent; and vocational education, 4.1 percent; driver training program, .1 percent; and trainable exceptional education, .2 percent.

LOCAL SUPPORT

1. An estimated 66 percent of the city and county revenue for schools is obtained from property taxes. The remaining 34 percent is provided mainly from countywide sales and gasoline taxes.
2. The county tax contribution for support of the State foundation program is determined by an index of taxpaying ability which distributes the total local effort of 5 mills on the 1938 assessment of property among the counties.
3. Countywide property taxes for the State foundation program for schools is limited to 4 mills on the county assessed valuation.
4. Local district property taxes for schools to supplement the foundation program are limited to 3 mills on the assessed valuation of property in the district. Counties must levy at least a 3-mill tax for schools before the local tax can be levied.
5. Tax rate limits for schools apply to levies for both current operating expenses and school facilities.
6. Local bonded indebtedness for schools cannot exceed 80 percent of estimated annual proceeds of taxes in a given year. This limitation prevents the operations of the public school program from being jeopardized.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Total		$187,575,533	(100.0%)		
MINIMUM PROGRAM FUND (current expense, capital outlay, and debt service, grades 1-12) (Art. 3, Title 52, 1940 Code. First established in 1935, superseding a small equalizing fund established in 1927.)		$166,111,539	(88.6%)	State share.--Calculated program cost minus: -Required local share -Receipts from the PUBLIC SCHOOL FUND Local share.--Amount determined by applying an index of taxpaying ability for each county to the amount that a 5-mill levy would produce if applied to the 1938 assessment of property. P.L. 874 funds distributed by the Federal Government may be included locally in meeting the local revenue requirement, but such funds are not specifically deducted from the amount of State aid for which the district otherwise qualifies to receive.	Requirements for participation.--Meet State standards for schools and operate schools for 9 months, except when prevented by conditions beyond local control. Provide required local financial effort and use instructional staff salary funds provided for such purpose. Extent of participation.--All 118 school districts in the State Distributed.--Monthly beginning in October.
Teacher salary allowance....	Scheduled amount per staffed teacher unit: Teacher preparation	Amount			
	Less than 2 years	$3,032			
	2-3 years	3,523			
	3-4 years	4,178			
	BA or BS	5,173			
	MA or MS	6,000			
Teacher units:					
Elementary school........	One teacher unit per each 29 ADA where ADA totals 155 or more.				
High school..............	One teacher unit per each 28 ADA where ADA totals 185 or more.				
Small schools............	Smaller number of pupils per teacher determined by the State survey.				
Special education........	One unit for each approved special educational class.				
Principal's supplement...	$72 per teacher unit.				
Pupil transportation........	Total of $10,510,620 earmarked for transportation.				
Regular students.........	Average cost per pupil per day, including bus depreciation, based on 11 population density groups.				
Special education students.................	Actual cost of needed transportation up to the amount of approved contract.				
Tuition payments for pupils to attend nonprofit private schools......	If a public school is not available, tuition and transportation costs equivalent to the public school per pupil amount paid may be provided. Except under this circumstance, private school pupils may not be included in determining State program amounts for this Fund.				
Capital outlay and debt service.....................	Total of $1,955,087 earmarked for this purpose. Allowance based on district's proportion of teacher units in the State.				

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
MINIMUM PROGRAM FUND--Continued.			
Other current expense............	Balance of Minimum Program Fund after meeting the foregoing provisions is allocated on the basis of teacher units.		
PUBLIC SCHOOL FUND (Constitution and Art. 2, Title 52, 1940 Code. Established by Constitution.)	$12,000,000 (6.4%)		
Current expense, grades 1-12.....	Proportion of school census children, 7-20 years of age, inclusive, for the State in the district.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--A school census of children 7-20 years of age must be taken every 4 years and reports filed with the State. Extent of participation.--All 118 school districts. Distributed.--Monthly.
VOCATIONAL EDUCATION FUND (Ch. 17, Sec. 384, Title 52, 1940 Code. Established in 1918.)	$ 7,783,171 (4.1%)		
Vocational education............	Amount of approved application for salaries for approved vocational education teachers as per State salary schedule for vocational teachers, plus allowances for travel and other expenses.	State share.--State pays a percentage of calculated program amount as funds allow. Percentage payment is based on the State money shown, plus Federal funds for vocational education. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Courses must be organized and approved in accordance with State standards. Extent of participation.--114 school districts. Distributed.--Monthly as reimbursement for approved expenses.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
TEXTBOOK FUND. . . . . (Ch. 19, Title 52, 1940 Code, established in 1935; Act No. 221, Special session, 1965)	$ 1,078,500	(.6%)		
Textbook Fund...........	Proportion of State net registration for grades 1-12.		State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Only State-approved textbooks may be purchased Extent of participation.--All 118 school districts. Distributed.--State purchases books as requisitions are received.
TRAINABLE EXCEPTIONAL EDUCATION. . . . . (Act No. 370, Regular Session, 1963)	$ 307,850	(.2%)	State share.--100 percent of calculated amount if used. Local share.--All expenditures over calculated amount.	Requirement of participation.--Classes must be organized and approved in accordance with State standards. Extent of participation.--24 school districts. Distributed.--Annually as reimbursement for approved expenses.
DRIVER TRAINING PROGRAM. . . . . (Act. No. 244, Special Session, 1965)	$ 194,473	(.1%)	State share.--State pays a percentage of State teachers' salary allotment schedule as funds allow. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Only State-certified instructors may be employed for courses meeting minimum standards. Extent of participation.--52 school districts. Distributed.--Semi-annually.
ILLITERACY. (Act No. 244, Special Session, 1965)	$ 100,000	(-)	State share.--10. percent of calculated program. Local share.--None.	Requirements for participation.--Approval by State for project application submitted after survey made by local systems to determine need and availability of students. Extent of participation.-- 85 school districts. Distributed.--Quarterly.

Provisions for Raising School Revenue

Property assessments.--Assessed valuations are established by the county board of equalization, which is composed of three members. Members elected from nine nominees are appointed by the State Commissioner of Revenue with the approval of the Governor. Assessment procedures are supervised by State officials and the State Commissioner of Revenue has authority to change and equalize local assessments. Property tax rates apply to local assessments and debt limits apply to proceeds of local taxes pledged for debt service.

Intermediate districts.--Through the foundation program both the county and independent city school systems share in the countywide property tax which is generally limited to 4 mills. Also, several counties levy an additional property tax, sales tax, or gasoline tax for general or specific school purposes which is usually shared with any independent city school system within their borders.

Local districts.--A 3-mill district school tax levy, the ordinary limit, is made for general school purposes in all counties. At least a 3-mill countywide tax must be levied before the district 3-mill tax can be voted. The district tax cannot extend beyond the date of expiration of the county 3-mill tax and neither tax can be levied for more than 30 years. An independent city school system is a separate tax district and the 3-mill district tax collected in the city goes directly to that school system.

Independent city school systems levy additional miscellaneous taxes which are not shared with the rest of the county. Districts under county boards of education are further restricted by a 12.5-mill statutory limitation on the total tax rate for all governmental purposes. In certain counties and cities, additional authority to levy taxes above statutory 12.5 mills is provided by the approval of the voters in the respective school districts. This additional levy must be approved for current operation expenses as well as debt service.

Provisions for School Indebtedness

Initiating bond issues.--School bonds, or warrants as they are called in Alabama, can be issued only after approval of the State Superintendent of Education. School authorities initiate the issuance of bonds when school revenue is pledged for their retirement. County and city governing bodies may also initiate the issuance of bonds for school construction when their revenues, and not school revenues, are pledged for retirement.

School bonds can be used for providing new buildings and sites, alterations of old buildings, school buses, new equipment, and refunding.

Limitations on issuance of bonds.--All school bonds are serial. The maximum number of years for which they may be issued is 30.

Limitations on debt.--According to the limitations provided in the statutes, school bonds or warrants may not be issued in an amount which would require more than 80 percent of the proceeds of the tax pledged for retirement of the bonds to pay the annual installments, nor in an amount which would jeopardize the operation of the basic school program as determined by the State Superintendent of Education. No State agency has authority to fix the debt limit or approve a higher limit in special cases. A district may secure authority to increase the levy for debt retirement by constitutional amendment. When this approval has been obtained, the electors in the district must vote their approval on the additional levy for debt service.

Voting requirements.--School bonds or warrants may be issued by action of the school board within the limits indicated without a vote of the people.

Approval and sale of bonds.--All proposed school bonds or warrant issues must be approved by the State Superintendent of Education. These issues are sold on the yield basis at such interest rates as can be obtained through purchase offers. It is not necessary to first offer the warrants to a State agency. State assistance is not provided for the sale of the bonds. When funds derived from the sale of bonds are not required for immediate use, they may be temporarily invested.

Bond records, tax levies, and payments.--Annual financial obligations of the school district for current operation, as well as debt service expenses, must come within the total levy authorized for school purposes. The county treasurer is responsible for maintaining the bond records and for the payment of the bonds.

Short-term indebtedness.--School districts cannot issue interest-bearing warrants in anticipation of receiving current revenues. Short-term loans must be repaid from current revenue during the fiscal year in which they are made.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms are provided by the State Department of Education.

Local approval.--School budget action must be completed by the local board of education by October 1. The law requires that the expenditures must be kept within the limits of the estimated funds available during the year, or actual funds available if the latter are greater than the estimate. No nonschool governmental agency has any responsibility for the budget. *Penalty*--expenditures exceeding funds available shall result in a penalty equal to $\frac{1}{4}$ of the deficit. There is no provision for posting or publishing the budget prior to adoption. The fiscal year begins October 1 and ends September 30.

State review or approval.--Budgets must be submitted to the State Superintendent of Education on or before October 1 for review and approval.

Provisions for School Audits

School audits in all county school systems are usually made annually by the State Examiner of Public Accounts. The cost of these audits is not charged to the local systems involved. Audits in city systems may either be made by the State Examiner of Public Accounts at no expense or by a private auditing firm at the city's expense.

ALASKA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

ALASKA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Robert L. Thomas, Director, Administrative Services, Alaska State Department of Education, served as the State authority for preparation and review of this **leaflet**.

Selected Program Facts

STATE SUPPORT

1. Approximately 88 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. All State grants for the public schools are provided by legislative appropriation. The tobacco tax appropriation is for the amount of collections.
3. Nearly 54 percent of the State money for public school grants is distributed to the district schools in accordance with the provisions of public school foundation program, and approximately 32 percent is for the operation of the State-operated schools.
4. The remaining 14 percent of the State moneys for public school support is distributed through separate funds for transportation, capital outlay and major repairs (tobacco tax fund), vocational education, tuition, correspondence courses, school lunch and milk, and NDEA programs.
5. The State began support of kindergarten programs in the district schools in the 1966-67 school year.
6. The State does not support non-public school functions or programs.

LOCAL SUPPORT

1. Approximately two-thirds of the locally derived school revenue is obtained from property taxes. The remaining third is from business license refunds, raw fish tax refunds, and miscellaneous rentals.
2. The city and borough school districts are required to raise an amount equal to one-half the prior fiscal year Public Law 874 receipts, and 3.5 mills of the assessed valuation of all taxable real and personal property.
3. There are no local taxes levied for support of State-operated schools.
4. City and borough school districts may levy tax rates of 20 to 30 mills on the locally assessed valuation of property, depending on the kind of district. These limits include amounts for both operating and building expenditures.
5. School-district indebtedness is limited to 10 percent of the locally assessed valuation. This limitation is for all city or borough indebtedness, including obligations for schools.

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th colspan="3">Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>Total</td><td>$48,311,900</td><td>(100.0%)</td><td></td><td></td></tr>
<tr><td>PUBLIC SCHOOL FOUNDATION FUND-District Schools (Current expense, grades 1-12) (Secs. 14.17.010 - 14.17.070, Alaska Statutes)</td><td>$25,999,100</td><td>(53.8%)</td><td rowspan="6">State share.--Calculated amount minus local share.

Local share.--City and borough school districts are required to raise an amount equal to that from a 3.5-mill tax on the assessed valuation of all taxable real and personal property, plus an amount equal to half the P.L. 874 receipts.</td><td rowspan="6">Requirements for participation.--Only organized city or borough districts participate

Extent of participation --27 school districts.

Distribution.--Monthly.</td></tr>
<tr><td>Teachers' salaries</td><td colspan="2">Scheduled amount per employed teacher of allowable teacher units.
City and Borough Schools
(State Minimum Scale)
<table>
<tr><th>College training (years)</th><th>Beginning salary</th><th>Maximum salary</th><th>Years to reach maximum</th></tr>
<tr><td>3</td><td>$5,700</td><td>$6,500</td><td>5</td></tr>
<tr><td>B.A.</td><td>6,700</td><td>8,748</td><td>9</td></tr>
<tr><td>M.A.</td><td>7,200</td><td>10,512</td><td>13</td></tr>
</table></td></tr>
<tr><td>Salary supplement for teachers in certain regions</td><td colspan="2">Supplements per teacher of $400 and $900 for Areas III and IV.</td></tr>
<tr><td>Salary supplement for principals and superintendents</td><td colspan="2">Vice principals, add 10 percent; principals, add 15 percent; superintendents ADM less than 500, add 20 percent; and superintendents ADM 500 or more, add 25 percent.</td></tr>
<tr><td>Additional current expense other than transportation</td><td colspan="2">$155, $165, or $175 per pupil in ADM depending on geographical location of district. Additional allocations may be made for districts with small enrollment and low per pupil resources. $1,000 per each attendance center.</td></tr>
<tr><td>Public school services for pupils enrolled in nonprofit private schools</td><td colspan="2">Pupils enrolled in nonprofit private schools may not be concurrently enrolled in a public school (so-called shared-time or dual enrollment) and so are not counted in determining the amount of aid for this distribution.</td></tr>
<tr><td>PUBLIC SCHOOL FUND--State-Operated Schools. (Current expense, grades K-12) (Sec. 14.10.150, Alaska Statutes)</td><td>$15,349,600</td><td>(31.7%)</td><td rowspan="2">State share.--100 percent of calculated amount.

Local share.-- None.</td><td rowspan="2">Requirements for participation.--Only schools operated directly through the Office of the Commissioner of Education may participate.

Extent of participation.--All schools outside of organized cities or boroughs are operated by the State as one general statewide district.</td></tr>
<tr><td>State-operated schools</td><td colspan="2">State operates and pays all expenses of schools in this classification. Some of these schools may offer a kindergarten program as well as one for grades 1-12.</td></tr>
</table>

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
PUBLIC SCHOOL FUND--continued			
Teachers' salaries...............	Scheduled amount per employed teacher of allowable teacher units for State-operated schools. (Actual scale)		Distribution.--As direct payment for expenses as payment is authorized by the State education agency.

College training	Beginning salary	Maximum salary	Years to reach maximum
3 years	$6,800	$ 7,600	5
B.A.	7,800	10,920	9
B.A. + 18 hrs.	8,100	12,000	11
Master's	8,300	12,980	13
M.A. + 18 hrs.	8,600	14,060	15

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Supplements for teachers.........	$400 or $900 for certain regions, Areas III and IV.		
TRANSPORTATION FUND (Sec. 14.10.070, Alaska Statutes)	$2,935,000 (6.0%) The State contracts for all pupil transportation services either directly or with a school district which may subcontract or own and operate its own vehicle.	State share.--100 percent of contract amount. Local share.--Any costs for services not covered by the contract for State pupil transportation.	Requirements for participation.--At leas 8 children who are bona fide residents m live along a regularly maintained highwa a distance of 1.5 miles or more from th school they attend. Extent of participation.--All 27 school districts and the State unorganized territory. Distributed.--Monthly.
TOBACCO TAX FUND (Construction and major repairs) (Ch. 42, SLA 1949, Alaska Statutes)	$1,616,700 (3.3%) $3,000 per district basic allotment. Balance available distributed on the basis of district ADM in relation to total ADM for all qualified districts.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Only di tricts recognized as organized school di tricts during the entire 12 months prece ing distribution may participate. Extent of participation.--27 school dis- tricts, and the statewide general distri Distributed.--Annually.
VOCATIONAL EDUCATION FUND (Sec. 14.50.010, Alaska Statutes)	$1,616,000 (3.3%) Amount expended for salaries and expenses for vocational education.	State share.--100 percent of approved amount. Reimbursement includes an amount from Federal sources as well as the State amount indicated. Local share.--All not covered by reimbursement.	Requirements for participation.--Program offered must be in compliance with the Alaska plan for vocational training. Extent of participation.--23 districts a participating. Distributed.--As reimbursement after clo of school year.

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
NDEA, TITLE III AND TITLE V (Sec. 14.50.010, Alaska Statutes) $ 243,600 (.7%) NDEA, Title III and Title V...... Amount of actual expenditure of approved Title III projects. Amount per counselor hour for Title V.	State share--100 percent of calculated amount, including Federal funds available to supplement the State amount indicated. Local share--None.	Requirements for participation--Program must be in compliance with the Alaska plan. Extent of participation--19 districts. Distributed as reimbursement after close of the school year.
SCHOOL LUNCH AND MILK FUND (Sec. 14.50.010, Alaska Statutes) $ 232,100 (.5%) School Lunch and Milk Fund....... Number of lunches and half-pints of milk served.	State share--100 percent of calculated amount. Additional amounts of cash and commodities are also provided from Federal sources. Local share--Operational deficits are covered by local effort.	Requirements for participation--Schools are selected on the basis of need and the program must be non-profit. Extent of participation-13 districts for lunch program, 9 for milk program. Distributed monthly.
TUITION FUND (Sec. 14.10.150, Alaska Statutes) $ 242,300 (.5%) Tuition Fund..................... Amount of local cost of education per pupil in the receiving district.	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--For non-resident students in attendance who are from other areas where school facilities are not provided. Extent of participation--17 districts. Distributed at the end of the year.
CORRESPONDENCE STUDY COURSES FUND (Sec. 15.10.150, Alaska Statutes) $ 77,500 (.2%) Correspondence Study Courses Fund Courses are provided for all eligible children who meet requirements. Includes courses for elementary pupils in unorganized areas who do not have access to a regular school facility and courses for high school pupils. Only pupils in areas outside of incorporated school districts participate.	State share--State pays full cost. Local share--None.	Requirements for participation--Students live too far from a public school. Assurance must be given that work will be properly supervised. Extent of participation-- 350 students. Distributed in course material through the State education agency.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Locally appointed assessors determine property assessments in the organized school districts. The borough assemblies in boroughs, and the city councils in cities, sit as boards of equalization. No other officials have the authority to change assessments. Assessment procedures are not supervised by State officials and no State agency has the authority to equalize assessments. However, the Local Affairs Agency in consultation with the assessor for each district, shall determine the full value of the taxable real and personal property in each district for purposes of the Foundation Program.

The tax rate of borough and city school districts is limited to 30 mills. There are no local property taxes for State-operated schools which are in areas outside the incorporated districts.

Nonproperty tax sources of local revenue include business license refunds, raw fish tax refunds, and miscellaneous rentals.

Provisions for School Indebtedness

Initiating bond issues.--The borough assemblies and city councils initiate bond issues for their school districts.

Limitations on issuance of bonds.--Serial bonds are not required. There is no limit on the maximum number of years for which bonds may be issued. Bonds may be issued for construction and equipment of school facilities, including purchase of sites.

Limitations on debt.--The bond limit for a borough or city school district is included in the total bond limit for the borough or city. No State agency has the authority to alter the debt limit or to approve a higher limit in special cases.

Voting requirement.--Bonds may not be issued or debt created without a favorable vote of a majority of the property owners on the last tax roll.

Approval and sale of bonds.--No State approval is necessary for the issuan of school bonds. Bonds must not bear more than 6 percent coupon rate and may b sold on either a fixed interest or yield basis. Competitive bids are not required. Bonds are not first offered to State agencies, and the State does not assist in the sale of bonds. Bond proceeds not immediately needed may be invested.

Bond records, tax levies, and payments.--Tax levies for debt service are cluded in the total levy authorized for general school purposes. Local school districts are responsible for maintaining bond records and making payment on bonds.

Short-term indebtedness.--School authorities have been obtaining occasion short-term loans from local banks in anticipation of current revenues. The la are silent on conditions under which indebtedness may be created that cannot b reitred during the current fiscal year.

BUDGETS AND AUDITS

Provisions for School Budgets

Local approval.--Budgets must be acted on by the local boards, and approved by the borough assemblies and city councils in the borough and city school districts by July 1. While there is no legal provision for budget hearings, the State Department of Education strongly recommends that public hearings be held.

State review.--Budgets are required to be submitted to the Commissioner of Education for review and statistical purposes.

Provisions for School Audits

School boards of borough and city school districts shall, each year, on o before the first day of November following the completion of the school year, have an audit made by a competent accountant. A certified copy of the audit shall be filed with the Commissioner of Education.

ARIZONA
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

ARIZONA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. James D. Showers, Director, Research and Finance Division, Arizona State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Over 24 percent of nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.

2. State funds for distribution to the public schools are primarily derived from legislative appropriation. The other State source, income from permanent school fund endowments, accounts for 2.3 percent of the amount distributed.

3. Forty-four percent of the State program for public school support is centered in the State Levy for Common and High School Fund and 43.1 percent in the Financial Assistance Fund.

4. The Equalization Fund accounts for 7.8 percent of State school support funds.

5. The balance of the State programs for school support is allocated through the following funds: Special Education, Trainable Program, Homebound Students, Vocational Education, Assistance to Public Schools, Endowment Earnings, Miscellaneous Collections, and National Forest.

LOCAL SUPPORT

1. Approximately 73.5 percent of the county and local district revenue for public school support is obtained from taxes levied on the locally assessed valuations of taxable property.

2. The balance of the revenue from county sources other than property tax is from portions from Auto Lieu Tax, Aircraft Lieu Tax, Taylor Grazing Act, and the Salt River Power.

3. The nonproperty taxes specifically authorized to be levied for the support of the public schools are the Educational Excise Tax and the Cigarette Tax. The Cigarette Tax is for the purpose of raising funds for common and high school equalization.

4. Local boards of education may issue school bonds up to 4 percent of the locally assessed value of taxable property in the district. With approval of the county board of supervisors, an additional 6 percent limit is permitted but never to exceed 10 percent. Electoral approval is required to issue school bonds by local boards of education.

5. Each county is required to levy a property tax sufficient to raise an amount which when added to the $182.50 per pupil appropriated by the legislature through the State School Fund shall equal $200 per public school child in grades 1-12, and levy a qualifying tax of 10 cents per $100 of assessed valuation of property to receive State school financial assistance monies.

6. There is no established limit for local districts' tax levy. The budget must be approved by the county supervisors if it exceeds a 6 percent limitation.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirement district p for di
Total. $153,048,808 (100.0%)		
STATE LEVY FOR COMMON AND HIGH SCHOOL FUND (ARS 15-1211, as amended; Laws 1959, Ch. 90; Laws 1961, Ch. 12; Laws 1965, 3rd S.S., Ch. 1; Laws 1968, 3rd S.S., Ch. 19) $ 66,000,000 (44.4%) State School Fund apportioned to the several counties on the basis of ADA in common and high schools based on the first 6 months of the school year. (At least 75 percent of apportionment shall be used for instructional costs.)	State share.--Legislature appropriates $182.50 per pupil in ADA. Local share.--An amount is set aside each fiscal year from the county general fund which, when added to the amounts appropriated by the Legislature, shall equal $200 per pupil in ADA.* In addition to the foregoing the County School Fund consists of portions of the auto lieu tax, County lieu tax, County surplus, penalties, (such as delinquent license fines) Taylor Grazing fees, leased lands, dividends, sales, refunds, cancelled warrants, Federal lieu tax gratuities and bequests, and other. * (an amount equal to $17.50)	Requirement school fund computed ac high school Superintend Extent of p sisting of Distributio ber 15; ¼, 1/6, March
ENDOWMENT EARNINGS and MISCELLANEOUS COLLECTIONS (ARS 15-1212, as amended; Laws 1959, Ch. 90; Laws 1960, Ch. 127; Laws 1961, Ch. 12; Laws 1968, 3rd. S.S., Ch. 19) $3,570,000 (2.3%) Becomes a part of the State School Fund. Apportioned on a rate-per-pupil basis. Is in addition to appropriation. All monies derived from the permanent fund and receipts from other sources.	State share.--100 percent of calculated amount. Local share.--None.	Requirement above Extent of p Distributi
FINANCIAL ASSISTANCE (ARS 15-1221-1222-1223-1224-1225, amended Laws 1968, 3rd. S.S., Ch. 19) $66,000,000 (43.1%) Common school districts that employed 3 or more teachers are eligible. Basic cost of education X ADA of district $375 (Elem) $500 (High School) less credits of following revenue: $200 X ADA; (State and County Entitlement by P.L. 81-874-- 3A $175 (Elem) $300 (High School) 3B1 87.50 (Elem) $150 (High School) 3B2 87.50 (Elem) $150 (High School); District qualifying tax rate yield (10 cents per $100 assessed valuation). A portion of the County School Fund can be used for the Special County School Reserve Fund, which is provided for transportation of children in rural areas, one- and two-room schools, and in unorganized districts.	State share.--100 percent of calculated amount. Local share.--A district qualifying levy of 10 cents per $100 assessed valuation of property is required to receive State school financial assistance monies.	Requirement district ne cial aid e afford each Education, multiplied Extent of p Distributio

8-69

nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . $153,049,808 (100.0%)		
$ 66,000,000 (44.4%) ; 1; School Fund apportioned to the sev- counties on the basis of ADA in com- nd high schools based on the first ths of the school year. (At least rcent of apportionment shall be used nstructional costs.)	State share.--Legislature appropriates $182.50 per pupil in ADA. Local share.--An amount is set aside each fiscal year from the county general fund which, when added to the amounts appropriated by the Legislature, shall equal $200 per pupil in ADA.* In addition to the foregoing the County School Fund consists of portions of the auto lieu tax, County lieu tax, County surplus, penalties, (such as delinquent license fines) Taylor Grazing fees, leased lands, dividends, sales, refunds, cancelled warrants, Federal lieu tax gratuities and bequests, and other. * (an amount equal to $17.50)	Requirements for participation.--State school fund is apportioned to the counties computed according to ADA in common and high schools as shown by the records of the Superintendent of Public Instruction. Extent of participation.--14 Counties consisting of 298 school districts. Distribution.--1/12, July 15; 1/6, September 15; ¼, November 15; 1/12, January 15; 1/6, March 15; **Adjustments made ¼, May 15.**
TIONS $3,570,000 (2.3%) ; 1968, es a part of the State School Fund. tioned on a rate-per-pupil basis. addition to appropriation. All s derived from the permanent fund eceipts from other sources.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Same as above Extent of participation.--Same as above. Distribution.--Same as above fund.
$66,000,000 (43.1%) n school districts that employed more teachers are eligible. Basic of education X ADA of district (Elem) $500 (High School) less ts of following revenue: $200 X ADA; e and County Entitlement by P.L. 81- $175 (Elem) $300 (High School) 87.50 (Elem) $150 (High School) 87.50 (Elem) $150 (High School); rict qualifying tax rate yield (10 s per $100 assessed valuation). rtion of the County School Fund can se for the Special County School rve Fund, which is provided for trans- ation of children in rural areas, and two-room schools, and in unor- zed districts.	State share.--100 percent of calculated amount. Local share.--A district qualifying levy of 10 cents per $100 assessed valuation of property is required to receive State school financial assistance monies.	Requirements for participation.--"School district needs" means the amount of financial aid each school district requires to afford each pupil in ADA a basic cost of Education, $375 Elementary; $500 High School multiplied by the ADA of the district. Extent of participation.--Same as above fund. Distribution.--Same as first fund named.

STATE SUPPORT, 1968-69 -continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
EQUALIZATION AID FOR COMMON AND HIGH SCHOOL DISTRICTS (ARS 15-1228, 15-1228.01, 15-1228.02, Laws 1968, 3rd S.S., Ch. 19.) $12,000,000 (7.8%)	
Formula: Each school district's assessed valuation and each school district's ADA determined as a percentage of total statewide districts' assessed valuation and statewide ADA. First factor divided by second factor to determine district's index of State support, which is multiplied by district's ADA., excluding pupils receiving aid from the Federal Government which is specified for Indian education aid. This shall be the amount specified or a lesser amount sufficient to reduce the actual district tax levy for maintenance and operational purposes to an amount equal to a tax rate of 10 cents for each $100 assessed valuation.	State share.--100 percent of calculated amount. Local share.--None.
HOMEBOUND PROGRAM (ARS 15-1011, as amended; Laws 1956, Ch. 156; Laws 1966, Ch. 82; Laws 1968, 3rd S.S., Ch. 19.) $ 60,000 (.1%)	
$100 per pupil in ADA per annum for each homebound student taught by the district. Appropriation made on actual per pupil in ADA per annum basis computed with reference to the estimated number to be taught during the current year.	State share.--$100 per pupil in ADA per annum in addition to apportionments made pursuant to sections 15-1211 and 15-1212 (State levy) and 15-1235 (County levy). Local share.--All costs in excess of State share.
SPECIAL EDUCATION PROGRAM (ARS 15-1016, Laws 1961, Ch. 40, ARS 15-1019, Laws 1961, Ch. 40, amended 1968, 3rd S.S., Ch. 19.) $ 880,000 (.6%)	
$190 per unit of ADA per annum for each special education student taught by the district. Appropriation made on an actual per pupil in ADA per annum basis computed with reference to the estimated number to be taught during the current year.	State share.--$190 per pupil in ADA per annum in addition to apportionments made pursuant to sections 15-1211 and 15-1212 (State levy) and 15-1235 (County levy). Local share.--County provides additional $10 per unit of average daily attendance.

ARIZONA

, 1968-69--continued

e funds for the public schools and for program participation

ent of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$12,000,000 (7.8%) .01, .) ormula: Each school district's assesse aluation and each school district's ADA etermined as a percentage of total stat ide districts' assessed valuation and tatewide ADA. First factor divided by econd factor to determine district's ndex of State support, which is multi- lied by district's ADA., excluding pu- ils receiving aid from the Federal Gov- rnment which is specified for Indian ducation aid. This shall be the amount pecified or a lesser amount sufficient o reduce the actual district tax levy or maintenance and operational purposes o an amount equal to a tax rate of 10 ents for each $100 assessed valuation.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Amount of equalization monies to be distributed to common and high school districts determined by formula. Extent of participation.--14 counties consisting of 298 districts. Distribution.--Apportionments made: 1/12, July 15; 1/6, September 15; ¼, November 15; 1/12, January 15; 1/6, March 15. Adjustment made, ¼, May 15.
$ 60,000 (.1%) 100 per pupil in ADA per annum for each omebound student taught by the district. ppropriation made on actual per pupil n ADA per annum basis computed with re- erence to the estimated number to be aught during the current year.	State share.--$100 per pupil in ADA per annum in addition to apportionments made pursuant to sections 15-1211 and 15-1212 (State levy) and 15-1235 (County levy). Local share.--All costs in excess of State share.	Requirements for participation.--Homebound student means a common or high school student capable of being educated who is unable to attend regular classes due to illness, disease, accident or physical handicap and unable to attend regular classes for a period of not less than three months. Distribution.--July 15, September 15, November 15, January 15, March 15, and May 15.
$ 880,000 (.6%) 190 per unit of ADA per annum for each pecial education student taught by the istrict. Appropriation made on an act- al per pupil in ADA per annum basis com- uted with reference to the estimated umber to be taught during the current ear.	State share.--$190 per pupil in ADA per annum in addition to apportionments made pursuant to sections 15-1211 and 15-1212 (State levy) and 15-1235 (County levy). Local share.--County provides additional $10 per unit of average daily attendance.	Requirements for participation.--Pupils must be educable and can benefit from an educational program but cannot pursue regular classwork due to emotional disturbances, mental retardation, or physical limitations as determined by competent medical examination and psychological evaluations. Distribution.--Same as Homebound Program.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for suppor the calculated State program allow
TRAINABLE PROGRAM (ARS 15-1081, Laws 1962, Ch. 110; ARS 15-1083, Laws 1962, Ch. 110, amended 1968, 3rd S.S., Ch. 19)	$ 400,000 (.3%) $590 per pupil in ADA per annum for each trainable retarded student. Appropriation made on an actual per pupil in ADA per annum basis computed with reference to the estimated number to be taught during the current year.	**State share**.--$590 per pupil in ADA addition to apportionments made pur to sections 15-1211 and 15-1212 (St levy) and 15-1235 (County levy). **Local share**.--County provides addit $10 per unit of average daily atten
ASSISTANCE TO PUBLIC SCHOOLS (ARS 15-1214, Laws 1961, Ch. 111, as amended Laws 1962, Ch. 19)	$ 80,000 (.1%) Formula: Divide total expenditures of school district by total ADA of all pupils to arrive at cost per pupil. Deduct State and County aid ($200) to determine State assistance due per pupil. Multiply by ADA of pupils claimed.	**State share**.--The assistance shall full per pupil in ADA cost of the d less the amount of State and county **Local share**.--None.
NATIONAL FOREST (ARS Enabling Act Vol. 1, Sec. 24)	$ 110,000 (.1%) The amount necessary for such payments is appropriated and made available annually. The annual amount apportioned is based on a per pupil rate.	**State share**.--At the end of each fi year the Secretary of the Treasury the State a proportion of the gross ceeds of all the national forests the State as the area of lands gra the State for school purposes. **Local share**.--None.
VOCATIONAL EDUCATION (ARS 15-1051-1055)	$ 1,948,808 (1.3%) The State assents to the provisions and accepts the benefits of the act of congress entitled "An act to provide for the promotion of vocational education, ..." approved February 23, 1917, and will observe and comply with all the requirements of the act and amendments thereto. The State treasurer is designated custodian for vocational education for the purposes of the act. He shall receive and provide for the custody and disbursement of money paid to the State from the appropriation of the act.	**State share**.--100 percent of calcu amount. **Local share**.--None.

TATE SUPPORT, 1968-69--continued

ution of State funds for the public schools and for program participation

	nt, and percent of State funds for school support, calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
h. 110; . 110, . 19)	$ 400,000 (.3%) $590 per pupil in ADA per annum for each trainable retarded student. Appropriation made on an actual per pupil in ADA per annum basis computed with reference to the estimated number to be taught during the current year.	State share.--$590 per pupil in ADA in addition to apportionments made pursuant to sections 15-1211 and 15-1212 (State levy) and 15-1235 (County levy). Local share.--County provides additional $10 per unit of average daily attendance.	Requirements for participation.--Trainable retarded child means a child who attains an intelligence quotient of approximately one-third to one-half that of normal children on tests administered by qualified psychological examiners as approved by the State Superintendent of Public Instruction. Distribution:--July 15, September 15, November 15, January 15, March 15, and May 15.
LS h. 111, 19)	$ 80,000 (.1%) Formula: Divide total expenditures of school district by total ADA of all pupils to arrive at cost per pupil. Deduct State and County aid ($200) to determine State assistance due per pupil. Multiply by ADA of pupils claimed.	State share.--The assistance shall be the full per pupil in ADA cost of the district less the amount of State and county aid. Local share.--None.	Requirements for participation.--The State Superintendent of Public Instruction shall assist public school districts in educating children whose parents or legal guardians are employed by and domiciled at the following State institutions and stations:the industrial school, the State hospital, the State prison, Arizona State school for the deaf and blind, the Arizona children's colony or at ports of entry inspection stations. Claims made by the districts through county school superintendent to the State Superintendent of Public Instruction.
Sec. 24)	$ 110,000 (.1%) The amount necessary for such payments is appropriated and made available annually. The annual amount apportioned is based on a per pupil rate.	State share.--At the end of each fiscal year the Secretary of the Treasury pays to the State a proportion of the gross proceeds of all the national forests within the State as the area of lands granted to the State for school purposes. Local share.--None.	Requirements for participation.--Apportioned to counties for distribution to school districts. Extent of participation.--14 counties consisting of 298 districts. Distribution.--November 15 each year based on per pupil rate.
	$ 1,948,808 (1.3%) The State assents to the provisions and accepts the benefits of the act of congress entitled "An act to provide for the promotion of vocational education, ..." approved February 23, 1917, and will observe and comply with all the requirements of the act and amendments thereto. The State treasurer is designated custodian for vocational education for the purposes of the act. He shall receive and provide for the custody and disbursement of money paid to the State from the appropriation of the act.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Any school district may organize schools or classes in accordance with the provisions of the Federal law accepted by ARS 15-1053 and the rules and regulations of the State Board for the control of vocational education.

LOCAL SUPPORT , 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations are established by the county assessors and State Tax Commission, both of which are elected by popular vote. However, there is a State Board of Equalization which has authority to change assessments or equalize them on a statewide basis. The State Board of Education does not determine assessment ratios. Tax rates and debt limit apply to local assessments.

Intermediate districts.--Each county is required to levy a property tax on a countywide basis sufficient to raise an amount which, when added to the $170 per pupil appropriated by the legislature through the State School Fund shall equal $180 per public school child in grades 1-12. The number of pupils, determined according to the ADA for the preceding school year in grades 1-12 and modified to reflect the growth in ADA over the second preceding school year, must be certified by the State Superintendent of Public Instruction. No electoral approval is required to authorize this tax levy nor is there a limit on the rate of the tax.

Portions of the income from the Auto Lieu Tax, Aircraft Lieu Tax, Taylor Grazing Act, and Salt River Power money are also provided for school purposes.

Local districts.--There is no established limit for the local tax rate that may be levied. Local residents of the school district attend a meeting on the presentation of their school budget but do not vote on the actual tax levy required to support the budget nor the amount of the budget. Following the approval of the school budget by the school board in a special meeting called for that purpose, the budget is submitted to the county supervisors for review if it exceeds six percent limitation.

Provisions for School Indebtedness

Initiating bond issues.--The local school district board of trustees may initiate a bond issue. Bonds may be issued for purchasing or leasing school lots, building schoolhouses, providing school furniture and apparatus, improving school grounds, and for liquidating any indebtedness already incurred for such purposes.

No school district shall issue bonds for the purposes specified in this article to amount in the aggregate, including the existing indebtedness, exceeding four percent of the value of the taxable property within the school district as ascertained by the last assessment of State and county taxes previous to issuing the bonds, and not exceeding six percent under any other statutory authority.

Limitations on issuance of bonds.--The county board of supervisors by an order entered upon its minutes shall prescribe the form of the bonds and the interest coupons attached thereto, and fix the time when the whole or any part of the principal of the bonds is payable, which shall not be more than twenty years from the date thereof.

Limitations on debt.--An Arizona statute permits a local board to bond up to 4 percent of its local assessed valuation and up to an additional 6 percent but not to exceed 10 percent of the assessed valuation with the approval of the county board of supervisors. No State agency has authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements.--All school bond issues must be approved at a special election called for that purpose by majority vote of those electors who are real property taxpayers in the district.

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Provisions for School

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Provisions for School

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LOCAL SUPPORT , 1968-69

Revenue

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sion, both of which are elected by popular vote.
i of Equalization which has authority to change
n a statewide basis. The State Board of Education
ratios. Tax rates and debt limit apply to local

Each county is required to levy a property tax on
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legislature through the State School Fund shall
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the preceding school year in grades 1-12 and modi-
ADA over the second preceding school year, must be
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is tax levy nor is there a limit on the rate of the

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or the amount of the budget. Following the approval
hool board in a special meeting called for that pur-
to the county supervisors for review if it exceeds

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The local school district board of trustees may
may be issued for purchasing or leasing school lots,
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ny indebtedness already incurred for such purposes.

issue bonds for the purposes specified in this arti-
, including the existing indebtedness, exceeding
he taxable property within the school district as
ment of State and county taxes previous to issuing
ix percent under any other statutory authority.

f bonds.--The county board of supervisors by an
shall prescribe the form of the bonds and the
eto, and fix the time when the whole or any part of
payable, which shall not be more than twenty years

Arizona statute permits a local board to bond up to
i valuation and up to an additional 6 percent but
e assessed valuation with the approval of the county
e agency has authority to fix the debt limit or to
ial cases.

school bond issues must be approved at a special
se by majority vote of those electors who are real
rict.

Approval and sale of bonds.--The State does not enter into bond transactions other than to require that bonds be sold at 6 percent or less. Funds from the sale of bonds may be temporarily invested if the proceeds are not needed within 3 months.

Bond records, tax levies, and payments.--Taxes needed to retire school bonds are levied in the necessary amounts by the board of supervisors. A record of the outstanding indebtedness is kept by the county board of supervisors and the county treasurer who makes payment on bonds.

Short-term indebtedness.--There is no provision for current loans except when the district board does not have sufficient funds in the budget to meet the requirements for the year and may, with the approval of the county board of supervisors, issue and register warrants in the necessary amounts. When warrants are issued, provision for retiring them must be made in the budget for the ensuing year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms used by school districts are prescribed by the State. The fiscal year begins July 1 and ends June 30.

Local approval.--The board of trustees of each district shall prepare a notice fixing a time not later than July 10 and designating a public place within each district at which a meeting will be held at which the board of trustees will present the proposed budget for consideration of the residents and taxpayers of the district.

The board of trustees of each district, prior to the meeting shall publish a copy of the notice with a copy of the proposed budget one time in a newspaper of general circulation within the school district, but if no newspaper is published therein, publication shall be made in a newspaper published in the nearest district within the county. The cost of publication shall be a charge against the school district. The publisher's affidavit of publication shall be filed by the board of trustees with the State Superintendent of Public Instruction within 30 days after publication.

At the time and place fixed in the notice, the members of the board of trustees shall hold the meeting and present the proposed budget to the residents and taxpayers attending the meeting. Upon request of any person, the board of trustees shall explain the budget and any resident or taxpayer may protest the inclusion of any item.

After the meeting, the board of trustees shall adopt the budget, making such deductions therefrom as it sees fit, but no additions thereto, and shall enter the budget as adopted in its minutes. Not later than July 12, the budget as finally adopted shall be filed by the board of trustees in triplicate with the county school superintendent, who shall immediately transmit a copy to the board of supervisors of the county and a copy to the State Superintendent of Public Instruction.

Provisions for School Audits

A school district may employ commercial audit only for cafeteria and school activity.

Provisions for School Audits--continued

However, the State examiner shall order and enforce a correct and uniform system of bookkeeping by county, school district, and precinct officers, and instruct them in the proper mode of keeping accounts of their offices.

Ascertain the character and financial standing of sureties on official bonds of county, school district, and precinct officers and, under proper circumstances, reject sureties in accordance with knowledge so obtained and require new and satisfactory bonds to be filed.

Require a verified statement of the accounts of county treasurers and of custodians of county, school district, and precinct funds as often as deemed necessary.

Personally visit each county seat of the State without prior notice and at irregular intervals at least twice each year; investigate books, accounts, and vouchers of county, school district, and precinct officers at least once each year; ascertain in detail the various items of receipts and expenditures inspect and verify the character and amount of all monies, securities, and other assets held by such officers and custodians on public account; and ascertain the character and amount of claims by, or allowances to, such officer

ARKANSAS

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

ARKANSAS PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Frank W. Cannaday, Supervisor of Statistics, Arkansas State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 53.0 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.

2. Except for less than a half of one percent of the total State grant money distributed for the public schools, which is obtained from permanent endowment fund income, revenue for school support is obtained through legislative appropriation. There are no State taxes earmarked for public school support.

3. About 87 percent of the State money granted to the school districts provides foundation program support which is based on the aggregate amount distributed thereto under the School Finance Act of 1965, for all school districts during the 1966-67 fiscal year and all additional monies in the Public School Fund which exceeds the aggregate amount shall be distributed to the respective school districts in an equal amount per teacher position; this shall be the number of teacher positions of such school districts for the immediate preceding school year. The amount of additional funds received by each school district for each year of the biennium shall be not less than $500 per teacher and shall be divided equally among the various teacher positions for the current school year.

4. State money for pupil transportation, which accounts for about 7.5 percent of the State support program, pays about 80 percent of the pupil transportation costs.

5. Nine other distributions for State support account for the balance of the total amount allocated.

6. A State revolving loan fund provides loan assistance for the acquisition of school facilities, including the purchase of school buses.

LOCAL SUPPORT

1. Local district revenue for the support of public education is obtained from property taxes.

2. There is no provision for the levy of a county or local district nonproperty tax for the public schools.

3. Participation in the State Minimum Foundation Program requires that local districts levy an 18-mill tax on county-assessed valuations for school support and meets the provisions of Act 163 of 1965 - "The Teachers' Minimum Salary Law" and Act 164 of 1965 - which provides that 60 percent of all increases in Local Tax Funds for the support of public schools shall be used to teachers' salaries.

4. The same 18-mill property tax is a prerequisite for a school district that wishes to qualify for pupil transportation aid.

5. There is no specified tax rate limit to the levy for public school support which may be approved by school district voters.

6. School district indebtedness is generally limited to 15 percent of the county assessed valuation of taxable real and personal property in the district. However, the State Board of Education has authority to increase this limit to 18 percent if a hardship case can be established for the district.

7. Tax rates for debt service are separate from tax rates for operating expenses and are not limited.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
TOTAL . . . . $ 94,709,875 (100.0%)	
MINIMUM FOUNDATION PROGRAM (Acts 44 and 404 of 1965 and Act 259 of 1967) $ 82,575,000 (87.2%) Current expenses, grades 1-12... The aggregate amount of all public school funds distributed during 1966-67 shall continue to be distributed, and all public school funds in excess of this aggregate amount shall be distributed to the respective school districts in equal amounts per teacher position. The amount of additional funds received by each school district shall be not less than $500 per teacher position and the amount received by the school district shall be divided equally among the teachers employed in the current school year.	State share.--100 percent of Minimum Foundation Program aid provided. Local share.--Balance of cost. District must have voted at least an 18-mill tax f the previous year based on the county assessed valuation. Amounts required und Acts 163 and 164 of 1965 - Act 164 provid that 60 percent of increased local school funds for maintenance and operation must paid for teachers' salaries. There is no reflection of P.L. 874 in determining the local share of support.
EQUALIZING TRANSPORTATION FUND (Secs. 142-149, Act 169 of 1931) $7,100,714 (7.5%) $20 per average daily transported (ADT) pupil where the number of such pupils per square mile is as much as 9.5 to $42 where density is 1.0 or less. Depreciation allowance ranging from $250 for less than 24-pupil capacity special-approved units to $550 for units with a 60- or 66-pupil capacity.	State share.--Calculated amount as funds allow, minus amount per ADT pupil, equal excess of income per pupil in ADA above $250 per pupil. Minimum State amount equal to $1,800 per approved transportation unit, plus allowances for approved special units. Maximum State amount equal to $2,600 per approved-transportation unit, plus allowance for approved special units Minimum and maximum allowances reduced i proportion to actual ADT if ADT is less than rated bus capacity. Local share.--All costs not covered by t State apportionment. Income per pupil in ADA measured as foll 90 percent of millage levied on assessed valuation; 90 percent of severance tax r ceipts; 1/3 of forest reserve receipts, receipts from Public School Fund.

PPORT, 1968-69

f State funds for the public schools and for program participation

percent of State funds for school support, tion of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . . . . $ 94,709,875 (100.0%)		
44 and 404 $ 82,575,000 (87.2%) .. The aggregate amount of all public school funds distributed during 1966-67 shall continue to be distributed, and all public school funds in excess of this aggregate amount shall be distributed to the respective school districts in equal amounts per teacher position. The amount of additional funds received by each school district shall be not less than $500 per teacher position and the amount received by the school district shall be divided equally among the teachers employed in the current school year.	State share.--100 percent of Minimum Foundation Program aid provided. Local share.--Balance of cost. District must have voted at least an 18-mill tax for the previous year based on the county assessed valuation. Amounts required under Acts 163 and 164 of 1965 - Act 164 provides that 60 percent of increased local school funds for maintenance and operation must be paid for teachers' salaries. There is no reflection of P.L. 874 in determining the local share of support.	Requirements for participation.--Must have expended for the previous year not more than the legal revenue for such year, maintained records and provided reports as required by the State Board of Education, and satisfied the minimum salary law as follows: College training — 1968-69 — 1970-71 Bachelor's Degree — $ 4,000 — $4,400 Master's Degree or Bachelor's Degree in Library Science — 4,400 — 4,800 These amounts are to be increased by $400 for each succeeding biennium. Extent of participation.--393 of the State's 395 districts. Distributed.--In 11 equal allotments.
$7,100,714 (7.5%) $20 per average daily transported (ADT) pupil where the number of such pupils per square mile is as much as 9.5 to $42 where density is 1.0 or less. Depreciation allowance ranging from $250 for less than 24-pupil capacity special-approved units to $550 for units with a 60- or 66-pupil capacity.	State share.--Calculated amount as funds allow, minus amount per ADT pupil, equal to excess of income per pupil in ADA above $250 per pupil. Minimum State amount equal to $1,800 per approved transportation unit, plus allowances for approved special units. Maximum State amount equal to $2,600 per approved-transportation unit, plus allowance for approved special units Minimum and maximum allowances reduced in proportion to actual ADT if ADT is less than rated bus capacity. Local share.--All costs not covered by the State apportionment. Income per pupil in ADA measured as follows 90 percent of millage levied on assessed valuation; 90 percent of severance tax receipts; 1/3 of forest reserve receipts, and receipts from Public School Fund.	Requirements for participation.--Apply for aid on official blanks; have a per-census pupil income of less than $200; meet required standards for drivers and buses; and have levied at least an 18-mill school tax on the county-assessed valuation of taxable real and personal property. Extent of participation.--390 school districts. Distributed.--In 10 equal payments with approximately 98 percent paid in the current school year. This represents about 80 percent of actual transportation cost.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support the calculated State program allowa
PUBLIC SCHOOL FLAT GRANT FUND (Acr 404 of 1965)	$1,423,921 (1.5%)	
Nonrestricted, grades 1-12......	$3.00 per school-census child, 6-17 years of age, inclusive.	State share.--100 percent of calculat amount. Local share.--None.
FREE TEXTBOOK FUND (Act of 103 of 1951)	$1,508,000 (1.6%)	
Grades 1-8 only.	Amount per pupil based on the highest average number of pupils belonging (ADM) for any month during the previous school year. $15,000 to $35,000 of total State authorization is reserved for emergency budgets where schools show a material increase in ADM over that for previous school year.	State share.--100 percent of calculat allowance and approved emergency need State buys for districts as requisiti Local share.--None.
VOCATIONAL EDUCATION FUND (Sec. 190, Act 189 of 1931)	$1,025,000 (1.1%)	
Programs for high school pupils.	Amount of teachers' salaries as per State salary schedule.	State share.--Including the $1,025,00 State money and $3,358,860 of Federal money, allocations are a maximum of cent of allowable salaries, plus amou approved for adult education and trav conference expense for vocational edu teachers. Area vocational-technical schools (post-secondary) use about $1,500,000 of the above Federal funds struction is designed for job prepar of upgrading for persons 16 years of older who have completed or left high school. Local share.--All costs not covered reimbursement.
Adult education.................	Allowable amount.	
Travel and conference expense...	$50 to $500.	

ntinued

ARKANSAS

he public schools and for program participation

funds for school support, lowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$1,423,921 (1.5%) ol-census child, 6-17 inclusive.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Districts must enumerate and report all children 5-17 years of age, inclusive. Extent of participation.--All of State's 395 school districts. Distributed.--Quarterly in September, December, March, and June.
$1,508,000 (1.6%) il based on the highest of pupils belonging (ADM) during the previous school to $35,000 of total State is reserved for emergency schools show a material M over that for previous	State share.--100 percent of calculated allowance and approved emergency need. State buys for districts as requisitioned. Local share.--None.	Requirements for participation.--Only operating districts may participate. Districts must submit reports and requisition on textbooks. Extent of participation.-- 393 school districts. Distributed.--Books are ordered as requisitions are received.
$1,025,000 (1.1%) hers' salaries as per chedule. nt.	State share.--Including the $1,025,000 of State money and $3,358,860 of Federal money, allocations are a maximum of 50 percent of allowable salaries, plus amounts approved for adult education and travel and conference expense for vocational education teachers. Area vocational-technical schools (post-secondary) use about $1,500,000 of the above Federal funds. Instruction is designed for job preparation of upgrading for persons 16 years of age or older who have completed or left high school. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Districts must have 350 or more resident children ages 6-17 years of age inclusive, provide adequate facilities for program, and meet State program requirements for adequate local funds and pupil participation. Extent of participation.--322 school districts. Distributed.--Quarterly on the basis of approved requisitions for reimbursement.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
EDUCATION FOR MENTALLY AND PHYSICALLY HANDICAPPED CHILDREN (Act 412 of 1947, Act 315 of 1949, and Act 169 of 1963.) $ 400,000 (0.4%) Education for mentally and physically handicapped children (includes mentally retarded, physically handicapped, emotionally disturbed, speech defective, children with some type of learning disability, and homebound)	State share.--Excess per pupil cost for children above regular per pupil cost up to a maximum of $200 per such pupil if funds allow. Local share.--Standard local share as pro vided for other pupils, plus all extra costs not covered by State reimbursement.
COUNTY SCHOOL SUPERVISOR'S SALARY FUND (Act 404 of 1965) $ 344,550 (0.4%) Amount per county determined by average salary of classroom teachers for the second preceding year.	State share.--100 percent of calculated allowance. Local share.--All costs not covered by t State apportionment.
GUIDANCE AND COUNSELING (Act 347 of 1965) $ 125,000 (0.1%) 37½ percent of minimum base salary of each approved counselor, plus 50 percent of expense of approved test materials (not to exceed 50 cents per pupil).	State share.--100 percent of calculated allowance. Local share.--The remaining expense of programs.
AUDIO-VISUAL EDUCATION FUND (Act of 381 of 1947) $ 80,000 (0.1%) Cost of film purchases and mailing.	State share.--100 percent of cost of thi State-operated film loan program. Local share.--None, but districts pay co of postage in returning borrowed films.
ORPHANS AID FUND (Act 10 of 1965) $ 52,690 (0.1%) $110 per nonresident child (who lives in an institution)	State share.--100 percent of calculated amount. Local share.--Remaining expense.

968-69--continued

unds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 400,000 (0.4%)		
$ 344,550 (0.4%)	State share.--Excess per pupil cost for children above regular per pupil cost up to a maximum of $200 per such pupil if funds allow. Local share.--Standard local share as provided for other pupils, plus all extra costs not covered by State reimbursement.	Requirements for participation.--Districts must meet State standards in relation to classes and pupils. Extent of participation.--83 school districts. Distribution.--As reimbursement after the end of the school year.
nt per county determined by average ry of classroom teachers for the nd preceding year. $ 125,000 (0.1%)	State share.--100 percent of calculated allowance. Local share.--All costs not covered by the State apportionment.	Requirements for participation.--None, but counties rather than school districts participate. The amount is determined by the average classroom teacher's salary for the second preceding year. Extent of participation.--All 75 counties in the State. Distribution.--In 12 equal payments.
percent of minimum base salary of approved counselor, plus 50 percent xpense of approved test materials to exceed 50 cents per pupil). $ 80,000 (0.1%)	State share.--100 percent of calculated allowance. Local share.--The remaining expense of programs.	Requirements for participation.--Provide adequate facilities and qualified counselor. Extent of participation.--200 districts. Distribution.--12 payments.
of film purchases and mailing. $ 52,690 (0.1%)	State share.--100 percent of cost of this State-operated film loan program. Local share.--None, but districts pay cost of postage in returning borrowed films.	Requirements for participation.--Comply with State regulations on ordering, using, and returning films. Extent of participation.--All 395 school districts in the State. Distribution.--Films for use as requested, when available.
0 per nonresident child (who lives an institution)	State share.--100 percent of calculated amount. Local share.--Remaining expense.	Requirements for participation.--Provide school facilities for nonresident child who lives in institution. Extent of participation.--7 school districts. Distribution.--Reimbursed annually.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for sup the calculated State program al
ADULT EDUCATION FUND (Act 347 of 1965)	$ 75,000 (0.1%)	
General adult education	Reimbursed 100 percent of teacher's salary for adult classes.	State share.--100 percent of calc amount. Local share.--Furnish facilities rials.
Basic adult education...........	Reimbursed 90 percent from Federal funds for total expense of program.	State share.--None. Local share.--10 percent of total of program.
REVOLVING LOAN FUND (Act 384 of 1953, Act 38 of 1961, Act 408 of 1967)	- -	STATE LOAN FUND
	Working capital of the permanent school fund provides the State money for loans. However, when additional State money is needed, loan fund bonds and certificates may be pledged on money borrowed from the State Teacher Retirement System. As a result, $2,155,504 of the $5,480,809 in loans outstanding as of July 1, 1967, were obligations to the Teacher Retirement System.	State share.--100 percent of loan requested in the loan application tricts cannot owe the fund more t $100,000--$50,000 for constructio and $50,000 for buses. Local share.--District must levy sufficient to repay the loans and interest at 5 percent.

ARKANSAS

58-69--continued

nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 75,000 (0.1%)		
ursed 100 percent of teacher's sal- or adult classes.	State share.--100 percent of calculated amount. Local share.--Furnish facilities and materials.	Requirements for participation.--Organize and operate approvable classes. Extent of participation.--69 school districts. Distribution.--Reimbursed annually.
ursed 90 percent from Federal funds otal expense of program.	State share.--None. Local share.--10 percent of total expense of program.	Requirements for participation.--Organize and operate approvable classes. Extent of participation.--92 school districts. Distribution.--Reimbursed quarterly.
- -	STATE LOAN FUND	
ng capital of the permanent school provides the State money for loans. er, when additional State money is d, loan fund bonds and certificates e pledged on money borrowed from tate Teacher Retirement System. As ult, $2,155,504 of the $5,480,809 ans outstanding as of July 1, 1967, obligations to the Teacher Retire- System.	State share.--100 percent of loan amount requested in the loan application. Districts cannot owe the fund more than $100,000--$50,000 for construction, etc., and $50,000 for buses. Local share.--District must levy taxes sufficient to repay the loans and pay interest at 5 percent.	Requirements for participation.--Submit and have approved a properly executed application to State Board of Education; advertise intention of borrowing in local papers; and levy necessary debt service millage for loans to extend longer than 6 years. District indebtedness including requested loan is not to exceed 15 percent of the assessed valuation. However, indebtedness to as high as 18 percent may be obtained by special approval under certain emergency conditions. Extent of participation.--367 school districts had loans outstanding as of July 1, 1967. A total of 300 districts will probably obtain loans in 1966-67, but a majority of these are included in the 367 districts indicated above. Distribution.--As loans, approved by the State Board of Education.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property assessments are determined by elected county assessors. Local boards of equalization have power to change these assessments. The Tax Assessment Coordination Division conducts assessor schools; consults with and advises county assessors and equalization boards; publishes assessment manuals; and determines real property assessment ratios, but does not supervise assessment procedures. The Division sets ratios of assessed to true and market value not to exceed 20 percent and certifies them to the county. Counties which have assessment ratios below 90 percent of the established standard lose a proportionate share of their State aid. The State Tax Commission determines assessments for all public utilities and the Public Service Commission has authority to change these assessments or equalize them on a statewide basis.

Intermediate districts.-- No countywide tax levies are authorized for schools. However, a small amount of county money is provided from county funds to support the county superivsor's office.

Local districts.--There is no legal limitation as to the number of mills that may be levied for school purposes in any local school district. In order to increase the tax rate for schools, it is necessary for the board of education to propose the increase, and the new rate must be favored by a majority at an annual school election. All school districts in Arkansas are fiscally independent.

Provisions for School Indebtedness

Initiating bond issues.--Responsibility for initiation and issuance of bonds rests entirely with local school boards. School bonds may be issued for no purpose other than purchasing school sites, making repairs and alterations to existing buildings, constructing and equipping school buildings, and refunding outstanding bonds at a lower interest cost to the district.

Limitations on issuance of bonds.--In Arkansas, there is no law requiring that school district bonds be serial bonds. However, with the exception of possibly two or three old issues, all school bonds are serial bonds, callable in inverse numerical order. There is no maximum number of years for which bonds may be issued. In practice, however, most bonds mature within 20 years.

Limitations on debt.--A district cannot issue bonds in excess of 15 percent of the local assessed valuation of the district at the time the bonds are sold or 18 percent if a hardship case can be established. This is provided in the statutes. No State agency has any authority to approve school bonds other than the State Board of Education.

Voting requirements.--Bonds cannot be issued without electoral approval nor in a greater amount than the millage voted by the people for retirement of the debt can service. Only qualified electors of the district may vote on a school bond issue. These issues are voted at the annual school election in March. A majority vote is required for the authorization of an issue.

Approval and sale of bonds.--The State Board of Education is required by law to approve or reject any proposed school bond issue. The board may approve a bond issue prior to the school election, or it may approve the issue after the election, depending on the time application is submitted to them. Arkansas school bonds are
sold at a fixed interest rate or rates
purchaser to a lower rate or rates of
no less and pays no more than it would
been converted. Bonds are sold to the

State agencies do not bid on sch
ment system may purchase school bonds.
bonds are purchased from holders on a
Education offers any assistance that a
by law to assist in the actual sale of
by the Commissioner of Education. The
if immediate use is not required upon

Bond records, tax levies, and pa
service are, technically, special tax
on millage voted by Arkansas schools f
voting 40 mills of which 10 mills is f
they may still levy the 40 mills for m

Bonds must be registered by the
ments kept in his office. The school
ties, and a record of all school-bond
State Department of Education. Each l
payment of maturities on its bond issu
funds may be withheld by the State Dep
due payment.

Current loans and short-term ind
thority to borrow money from any sourc
current revenues, provided such money
borrowed. Failure to repay the money
of State aid. No current indebtedness
and operation that cannot be retired d
a district may legally incur short-ter
Revolving Loan for construction, equip
insurance premiums, to be repaid from
exceed 6 years. Before such a loan ma
Board of Education.

BUDGE

Provisions for School Budgets

Budget forms.--Each school dist
trict budget for the current year on
cation. These budget forms list the
previous year and estimated receipts
year. The fiscal year begins July 1

Budget forms also show the mini
room teachers and the total minimum a
classroom teachers' salaries in the c
also included.

venue

erty assessments are determined by elected county
lization have power to change these assessments.
Division conducts assessor schools; consults with
equalization boards; publishes assessment manu-
y assessment ratios, but does not supervise
sion sets ratios of assessed to true and market
t and certifies them to the county. Counties
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ties and the Public Service Commission has author-
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oted at the annual school election in March. A
he authorization of an issue.

.--The State Board of Education is required by law
sed school bond issue. The board may approve a bond
ion, or it may approve the issue after the election,
ion is submitted to them. Arkansas school bonds are

sold at a fixed interest rate or rates and are subject to conversion by the purchaser to a lower rate or rates of interest, provided the district receives no less and pays no more than it would have received and paid had the bonds not been converted. Bonds are sold to the highest bidder on open competitive bid.

State agencies do not bid on school bonds. However, the teacher-retirement system may purchase school bonds. They do this by asking for tenders and bonds are purchased from holders on a yield basis. The State Department of Education offers any assistance that a district may need, but is not required by law to assist in the actual sale of the bonds. All school bonds must be signed by the Commissioner of Education. There is no specific authority to invest funds if immediate use is not required upon sale of bonds.

Bond records, tax levies, and payments.--Tax levies, necessary for debt service are, technically, special tax levies. There is no constitutional limit on millage voted by Arkansas schools for school purposes and, if a district is voting 40 mills of which 10 mills is for debt service after retiring the bonds, they may still levy the 40 mills for maintenance and operation.

Bonds must be registered by the county treasurer and a record of all payments kept in his office. The school district also maintains a record of maturities, and a record of all school-bond issues and maturities is maintained in the State Department of Education. Each local school board is solely responsible for payment of maturities on its bond issues. However, in case of default, State funds may be withheld by the State Department of Education and applied on past due payment.

Current loans and short-term indebtedness.--A school board has legal authority to borrow money from any source and for any purpose in anticipation of current revenues, provided such money is repaid within the fiscal year it is borrowed. Failure to repay the money would jeopardize the district's receipt of State aid. No current indebtedness may legally be created for maintenance and operation that cannot be retired during the current fiscal year. However, a district may legally incur short-term indebtedness through a loan from the Revolving Loan for construction, equipment, school buses, surplus property, and insurance premiums, to be repaid from operating funds over a period of not to exceed 6 years. Before such a loan may be made, it must be approved by the State Board of Education.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Each school district in Arkansas prepares its school district budget for the current year on forms prescribed by the State Board of Education. These budget forms list the actual receipts and expenditures for the previous year and estimated receipts and expenditures for the current fiscal year. The fiscal year begins July 1 and ends June 30.

Budget forms also show the minimum salaries to be paid individual classroom teachers and the total minimum amount that is required to be spent for classroom teachers' salaries in the current year. The current expenditure is also included.

Provisions for School Budgets--continued

Local approval.--The proposed budget and the proposed tax rate is prepared by the local board of directors and is publicized 60 days in advance of the school election during the last week in January. Provisions in budgets must be approved by the county supervisors.

State review or approval.--The local school budget for each district is submitted to the State Department of Education for approval not later than October 1 of the current year. The budget is approved by the State agency and returned to the district not later than November 1 of the current year. The State Department of Education checks to see that all legal requirements are satisfied, the teachers' minimum salary law is satisfied, debt obligations are met, and district expenditures will not exceed the income for the current year.

Provisions for School Audits

An annual audit is req
audit can be made by the Schoo
Comptroller's Office. A distr
accountant working for a priva
the School Audit Division, the
audit. The School Audit Divis
tricts for the cost of auditin

ARKANSAS

the proposed tax rate is prepared by ed 60 days in advance of the school rovisions in budgets must be approved

ool budget for each district is sub- for approval not later than October 1 by the State agency and returned to e current year. The State Department quirements are satisfied, the teach- bligations are met, and district the current year.

Provisions for School Audits

An annual audit is required for all school districts in Arkansas. The audit can be made by the School Audit Division, which is a part of the State Comptroller's Office. A district may have an audit made by a certified public accountant working for a private auditing firm. If the audit is not made by the School Audit Division, the local district must bear the entire cost of the audit. The School Audit Division does not exact a charge from the local districts for the cost of auditing.

CALIFORNIA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

CALIFORNIA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Gary R. Martin, Assistant Chief, Bureau of School Apportionments and Reports, California State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 37 percent of the nonfederal revenue, including only State, county, and local revenue receipts for local school systems is provided by the State.

2. Only two-tenths of 1 percent of the State funds distributed for public education is derived from income earned from interest and land use royalties; the balance is provided by legislative appropriation.

3. About 80 percent of the State funds for public schools is allotted for Basic and Equalization support programs.

4. In general, each child in average daily attendance (ADA), grades K-8, 9-12, and 13-14 is offered a foundation support level of \$337, \$472, and \$628, respectively, with supplemental aid provisions providing for program levels of \$397 for elementary grades and \$512 for high school grades.

5. A school construction loan fund provides for the State's bonding power to be used to assist school districts which are in debt in excess of 95 percent of bonding capacity.

6. State school assistance is distributed through a total of 21 funds: 3 general aid and 18 categorical aid programs.

LOCAL SUPPORT

1. Ninety-six percent of county and local revenue for public elementary and secondary schools and for junior colleges is derived from property taxes. The remaining 4 percent is from miscellaneous sources such as rentals and royalties. No nonproperty taxes are employed.

2. Counties must raise sufficient revenue to supplement Basic Aid provided by the State, to pay tuition and transportation expenses for resident pupils attending school in an adjoining State and, if any area of the county is not included within a district maintaining a junior college, to pay the county portion of junior college expenses for each pupil who attends a public junior college and resides in such area.

3. Under the regular foundation program, local participation in Equalization Aid requires the levy of a tax rate of 10 mills for grades K-8, 8 mills for grades 9-12, and 2.5 mills for junior colleges. The State also helps support higher program levels when local districts levy higher tax rates.

4. Local districts must pay all regular school transportation costs up to the amount produced by a .2-, .3-, or .4-mill tax and additional amounts based on cost and financial ability.

5. The maximum local levy for school purposes, without vote of the people, is 8 mills, 9 mills, 7.5 mills, and 3.5 mills for grades 1-8, K-8, 9-12, and 13-14, respectively. There is no limit on rates which may be voted by the electorate.

6. Local school district bonds may be issued up to 5 percent per level of the district's assessed valuations with voter approval.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local share the calculated State
Total	*(1967-68) $1,339,176,896 (100.0%)	
	Est. (1968-69) $1,491,921,707 (100.0%)	
BASIC AID (State Constitution, Art. IX; Education Code Secs. 17751, 17801 and 17851.)	(1967-68) $ 606,280,054 (45.3%)	
General use, grades K-14.........	$125 per unit of average daily attendance in prior fiscal year, but not les than $2,400 for each district.	State share.--100 perc amount. Amounts for distric Elementary distri High school distr Junior colleges
EQUALIZATION AID **(Education Code Secs. 17601-17608, and 17901-17970.)**	(1967-68) $470,956,040 (35.2%)	Local share.--None.
General use, grades K-14 Elementary districts or schools under 101 determined as "necessary"...........................	$8,175 per unit of 25 ADA if one teacher per unit.	State share.--Calculat Amount from local comp Amount from Basic Aid. Amounts for districts Elementary district High school distric Junior colleges
Elementary districts up to 900...	$327 per ADA (being eligible for certai free county services.)	
Elementary districts over 900....	$337 per ADA.	
Ele. districts in excess of 101..	$30 per ADA, grades 1, 2, & 3	Local share.--Amount tax rate times the adj assessed valuations. justed to include 25 funds and 50 percent funds which are consi ability. Miscellaneo lieu-of tax revenues,
More efficiently organized districts...........................	$20.00 increase in foundation program at elementary and high school levels for: (1) unified districts meeting the standards in Education Code, Secs. 17672 or 17673; (2) Districts voting "yes" in unsuccessful election; (3) component districts of newly formed unified district not yet effective for all purposes.	
High school districts with schools under 301 ADA which are determined as "necessary"........	The lesser amount, determined by either the attendance or the teachers:	

A.D.A.	Certificated employees	Foundation program
0-20	Less than 3	$ 8,100
0-20	3	41,400
21-40	4	49,500
41-60	5	57,600
61-75	6	65,700
76-90	7	73,800
91-105	8	81,900
106-120	9	90,000

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* 1967-68 total does not include School Building Loan Fund

PUBLIC SCHOOL FINANCE PROGRAM

SUPPORT, 1968-69

of State funds for the public schools and for program participation

nd percent of State funds for school support, ation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . *(1967-68) $1,339,176,896 (100.0%)		
Est. (1968-69) $1,491,921,707 (100.0%)		
(1967-68) $ 606,280,054 (45.3%)		Requirements for participation.--The only requirement is to have a reported attendance for the current year, and except for new districts, an average daily attendance for the prior fiscal year. No attendance may be counted for classes whose total cost is paid by private or Federal funds, or classes in community recreation, or classes in private school.
..... $125 per unit of average daily attendance in prior fiscal year, but not less than $2,400 for each district.	State share.--100 percent of calculated amount. Amounts for districts are: Elementary districts $408,854,179 High school districts 158,963,750 Junior colleges 38,462,125	Extent of participation.-- All school districts.
(1967-68) $470,956,040 (35.2%) 08,	Local share.--None.	Distributed.--Monthly
ools ces- ..... $8,175 per unit of 25 ADA if one teacher per unit. 00... $327 per ADA (being eligible for certain free county services.) 0.... $337 per ADA. 101.. $30 per ADA, grades 1, 2, & 3 is- ..... $20.00 increase in foundation program at elementary and high school levels for: (1) unified districts meeting the standards in Education Code, Secs. 17672 or 17673; (2) Districts voting "yes" in unsuccessful election; (3) component districts of newly formed unified district not yet effective for all purposes.	State share.--Calculated amount less: Amount from local computational rate. Amount from Basic Aid. Amounts for districts are: Elementary districts $318,683,000 High school districts 112,569,344 Junior colleges 39,703,696 Local share.--Amount from computational tax rate times the adjusted and modified assessed valuations. Valuations are adjusted to include 25 percent of P.L. 874 funds and 50 percent of miscellaneous funds which are considered as district ability. Miscellaneous funds include in-lieu-of tax revenues, royalties, and rents.	Requirements for participation.--All school districts may participate, dependent upon a minimum qualifying tax rate (elementary, 10 mills; high school, 8 mills; junior colleges, 2.5 mills); and their adjusted and modified assessed valuations. Extent of participation.-- All school districts qualifying. Distributed.--Monthly.
are ..... The lesser amount, determined by either the attendance or the teachers:		

A.D.A.	Certificated employees	Foundation program
0-20	Less than 3	$ 8,100
0-20	3	41,400
21-40	4	49,500
41-60	5	57,600
61-75	6	65,700
76-90	7	73,800
91-105	8	81,900
106-120	9	90,000

ie School Building Loan Fund

CALIFORNIA

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for s the calculated State program**
EQUALIZATION AID--continued.		
High school districts under 301 ADA, and "necessary"--continued	see scale below	
High school districts under 301 ADA, other than above	$462 per ADA (being eligible for certain free county services.)	
High school districts 301 or more.	$472 per ADA.	
Junior college districts	Allowances for both basic and equalization aid are based upon the districts of "residence" rather than upon the district of "attendance" as is the case of elementary or high schools.	
Junior colleges in excess of 1,001 ADA (The foundation support for "necessary" small jr. col. with an ADA of less than 1,001 is determined by a 10-step scale based on ADA and number of certified employees)	$628 per unit of ADA. The attendance of those residing outside the district, not in any junior college district, out of State, and those defined as "adults" are not included in computing the district's foundation program.	
EDUCATION OF EXCEPTIONAL CHILDREN (Education Code Secs. 18051-18307)	(1967-68) $109,395,780 (8.2%)	
	Calculated on a current basis with allotment based on a classroom unit the size of which is prescribed by the SBE for each category of exceptional children.	**State share**.--Allowable percen expense. **Local share**.--Amount equivalen local per pupil expense, plus ceeding State allowance.

Scale for high school districts under 301 ADA, and "necessary"--continued:

A.D.A.	Certificated employees	Foundation program
121-135	10	$ 98,100
136-150	11	106,200
151-180	12	114,300
181-220	13	122,400
221-260	14	130,500
261-300	15	138,600

Category	Per class	Per ADA
Physically Handicapped		
Special day class	$12,215 per class	
If less than half the number of pupils prescribed		$1,018 per ADA
In regular day classes		$1,018 per ADA
Remedial physical education		775 per ADA
Other remedial instruction		2,000 per ADA
Individual instruction		1,300 per ADA
Additional blind allowance		910 per ADA
Educable Mentally Retarded		
Special day class	$7,830 per class	
If less than half the number of pupils prescribed		$435 per ADA
Trainable Mentally Retarded		
Special day class	$9,540 per class	
If less than half the number of pupils prescribed		$795 per ADA

ate funds for the public schools and for program participation

rcent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
A.D.A. — Certificated employees — Foundation program 121-135 — 10 — $ 98,100 136-150 — 11 — 106,200 151-180 — 12 — 114,300 181-220 — 13 — 122,400 221-260 — 14 — 130,500 261-300 — 15 — 138,600		
$462 per ADA (being eligible for certain free county services.)		
$472 per ADA.		
Allowances for both basic and equalization aid are based upon the districts of "residence" rather than upon the district of "attendance" as is the case of elementary or high schools.		
$628 per unit of ADA. The attendance of those residing outside the district, not in any junior college district, out of State, and those defined as "adults" are not included in computing the district's foundation program.		
(1967-68) $109,395,780 (8.2%)		
Calculated on a current basis with allotment based on a classroom unit the size of which is prescribed by the SBE for each category of exceptional children.	State share.--Allowable percent of excess expense. Local share.--Amount equivalent to regular local per pupil expense, plus expense exceeding State allowance.	Requirements for participation.--All districts may participate. Distributed.--Monthly from July through June.
$12,215 per class		
$1,018 per ADA $1,018 per ADA 775 per ADA 2,000 per ADA 1,300 per ADA 910 per ADA		
$7,830 per class		
$435 per ADA		
$9,540 per class		
$795 per ADA		

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount and percent of State funds for school support, and calculation of district allowances		**State and local shares fo the calculated State progr**
EDUCATION OF EXCEPTIONAL CHILDREN--continued.		
Educationally Handicapped		
Special day class..............	$13,680 per class.	
If less than half the number of pupils prescribed.........	$1,140 per ADA.	
Learning disability group......	1,880 per ADA.	
Home and hospital instruction..	1,590 per ADA.	
Special consultation...........	10 per ADA.	
Mentally Gifted	Sixty dollars will be allowed for each pupil participating in the program during the year, plus an additional $40 for each pupil identified as a mentally gifted minor.	
Special Transportation for Physically Handicapped and Trainable Mentally Retarded (Education Code Sections 18060 and 18062)...	$389 per ADA. In addition to this allowance, for each school district and county superintendent of schools furnishing transportation for such minors under circumstances requiring the operation of vehicles exclusively for such purposes, 75 percent of any expense in excess of $389 will be allowed at the time of the Second Principal Apportionment, up to a maximum of $73 per unit of ADA of such pupils.	
SUPPLEMENTAL AID (General use, grades K-14) (Education Code Secs. 17920-17926.)	(1967-68) $15,650,070 (1.2%)	State share.--Calculated amoun Elementary districts $15. High School districts
Elementary districts............. (Those having less than $10,000 per ADA in assessed valuation.)	$1.00 supplement per ADA for each $0.01 of tax up to $0.60 above the $1.00 computational tax or a maximum of $60 per ADA.	Local share.--One hundredth of valuation per foundation progr the district tax rate to speci excess of the computational ta

Formula for the elementary districts:

$$\text{Supplemental Support} = \begin{bmatrix}\text{Elem.}\\ \text{ADA}\\ \text{excl. summer s.}\end{bmatrix}\left[\$100\ \underset{\text{E.C. 17921}}{\overset{\text{Limit \$1.60}}{(\text{Tax rate} - \$1.00)}} - \frac{\text{A.V.}}{\text{F.P. A.D.A.}} \times .01\ \underset{\text{E.C. 17921}}{\overset{\text{Limit \$1.60}}{(\text{Tax rate} - \$1.00)}}\right]$$

High school districts........... (Those having less than $20,000 per ADA in assessed valuation.)	$2.00 supplement per ADA for each $0.01 of tax up to $0.20 above the $0.80 computational tax or a maximum of $40 per ADA.	

Formula for high school districts:

$$\text{Supplemental Support} = \begin{bmatrix}\text{H.S.}\\ \text{A.D.A.}\\ \text{excl. summer s.}\end{bmatrix}\left[\$200\ \underset{\text{E.C. 17922}}{\overset{\text{Limit \$1.00}}{(\text{Tax rate} - \$0.80)}} - \frac{\text{A.V.}}{\text{F.P. A.D.A.}} \times .01\ \underset{\text{E.C. 17922}}{\overset{\text{Limit \$1.00}}{(\text{Tax rate} - \$0.80)}}\right]$$

PUBLIC SCHOOL FINANCE PROGRAM

PORT, 1968-69

State funds for the public schools and for program participation

percent of State funds for school support, on of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
-continued.		
.. $13,680 per class.		
r		
.. $1,140 per ADA.		
.. 1,880 per ADA.		
.. 1,590 per ADA.		
.. 10 per ADA.		
.. Sixty dollars will be allowed for each pupil participating in the program during the year, plus an additional $40 for each pupil identified as a mentally gifted minor.		
$389 per ADA. In addition to this allowance, for each on school district and county superintendent .. of schools furnishing transportation for such minors under circumstances requiring the operation of vehicles exclusively for such purposes, 75 percent of any expense in excess of $389 will be allowed at the time of the Second Principal Apportionment, up to a maximum of $73 per unit of ADA of such pupils.		
(1967-68) $15,650,070 (1.2%)	State share.--Calculated amount minus local. Elementary districts $15,214,950 High School districts 435,120	Requirements for participation.--Less than $10,000 per ADA in assessed valuation at elementary and less than $20,000 per ADA in assessed valuation at high school level. Such low-wealth districts may participate only if (1) The district is entitled to the $20 increase in the foundation program granted for more efficiently organized districts, or (2) The district levies a general fund tax rate sufficiently in excess of $1.60 (elementary) or $1.00 (high school) to raise an amount equivalent to the product of $20 multiplied by the total units of ADA in the district. Distributed.--Monthly.
.. $1.00 supplement per ADA for each $0.01 of tax up to $0.60 above the $1.00 computational tax or a maximum of $60 per ADA.	Local share.--One hundredth of the assessed valuation per foundation program ADA times the district tax rate to specified limit in excess of the computational tax rate.	
ricts:		
s.] $\left[\$100 \; \overset{\text{Limit } \$1.60}{\underset{\text{E.C. 17921}}{(\text{Tax rate} - \$1.00)}} - \frac{\text{A.V.}}{\text{F.P. A.D.A.}} \right.$	$\left. \times .01 \; \overset{\text{Limit } \$1.60}{\underset{\text{E.C. 17921}}{(\text{Tax rate} - \$1.00)}} \right]$	
.. $2.00 supplement per ADA for each $0.01 of tax up to $0.20 above the $0.80 computational tax or a maximum of $40 per ADA.		
ts:		
s.] $\left[\$200 \; \overset{\text{Limit } \$1.00}{\underset{\text{E.C. 17922}}{(\text{Tax rate} - \$0.80)}} - \frac{\text{A.V.}}{\text{F.P. A.D.A.}} \right.$	$\left. \times .01 \; \overset{\text{Limit } \$1.00}{\underset{\text{E.C. 17922}}{(\text{Tax rate} - \$0.80)}} \right]$	

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requi dis
COUNTY SCHOOL EDUCATIONAL SERVICES (Education Code **Secs.** 18351-18364.)	(1967-68) $17,799,098 (1.3%)		
Restricted use for purposes specified..............	Allowances for appropriate services to districts for supervision of instruction health, pupil personnel, curriculum, etc	Local share.--Business services to schools are financed from county general property taxes.	Requi to c base item
ADULT EDUCATION	(1967-68) $21,319,904 (1.6%)		Distr
	There is no separate computation for those high school districts on supplemental aid. Provides for an increase of $20 per unit of ADA in the amounts used in computing State support for the education of adults, as adults are defined in Education Code Section 5756. The allowance for each unit of ADA of adults is:	State share.--Calculated amount minus **local** share. (**Basic aid**) Amounts of districts are: High schools $6,859,750 Junior colleges 8,424,250	
High School......................	$340 less a 50-cent tax times the assessed valuation per unit of ADA, exclusive of adults.	(Equalization Aid) **Amounts of districts are:** **High school district** $2,495,322 **Junior college districts** $3,540,582	Distr
Junior College..................	$510 less a 24-cent tax times the assessed valuation per unit of ADA, exclusive of adults.	**Local share.**--Described in calculation.	
	In both cases the total of basic and equalization aid shall not exceed $250 per unit of ADA.		
	If the computation results in an amount not in excess of $125 per unit of ADA of adults, the amount is adjusted so that the allowance will not exceed $125 per unit of ADA of the adults in high schools and junior colleges during the preceding fiscal year.		
SPECIAL ELEMENTARY SCHOOL READING INSTRUCTION PROGRAM (Education Code)	(1967-68) $11,000,000 (.8%)		
Grades 1-8.......................	Provide for reading specialist.	Local share.--None.	Requi must quali

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nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
(1967-68) $17,799,098 (1.3%)		
vances for appropriate services to ricts for supervision of instructio th, pupil personnel, curriculum, etc	Local share.--Business services to schools are financed from county general property taxes.	Requirements for participation.--Limited to county superintendents of schools, and based upon submission of budgets and line-item approval by the State Superintendent. Distributed.--Monthly.
(1967-68) $21,319,904 (1.6%)		
e is no separate computation for e high school districts on supple-l aid. Provides for an increase 0 per unit of ADA in the amounts in computing State support for the tion of adults, as adults are de- in Education Code Section 5756. llowance for each unit of ADA of s is: less a 50-cent tax times the ssed valuation per unit of ADA, usive of adults. less a 24-cent tax times the ssed valuation per unit of ADA, usive of adults. th cases the total of basic and lization aid shall not exceed $250 unit of ADA. e computation results in an amount n excess of $125 per unit of ADA dults, the amount is adjusted so the allowance will not exceed $125 unit of ADA of the adults in high ls and junior colleges during the ding fiscal year.	State share.--Calculated amount minus local share. (Basic aid) Amounts of districts are: High schools $6,859,750 Junior colleges 8,424,250 (Equalization Aid) Amounts of districts are: High school district $2,495,322 Junior college districts $3,540,582 Local share.--Described in calculation.	Distributed.--Monthly
(1967-68) $11,000,000 (.8%)		
ide for reading specialist.	Local share.--None.	Requirements for participation.--Districts must be eligible per Equalization Aid to qualify.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participatio

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local s the calculated S
TRANSPORTATION, HOME TO SCHOOL (Education Code Secs. 18051-18062.)	(1967-68) $19,086,819 (1.4%)	
General Use Grades K-14....................	Approved expense for operation, as submitted on claim forms, limited to median statewide expense per bus per day, plus 25 percent, using 16 classifications of busses reflecting hours of operation and capacity. Types of expense included are operating expense, repairs, insurance, cost of replacement of equipment, payments to public carriers, payments to parents in lieu of transportation.	Local share.--Origi plus expense of ope ance.
DRIVER TRAINING (Education Code Secs. 18251-18254.)	(1967-68) $11,404,886 (.9%)	
General Use Grades 9-12....................	Maximum allowance is $50 per pupil instructed.	Local share.--Origi plus expense of ope ance.
FREE TEXTBOOKS (Education Code Secs. 9251, 9302-9502.)	(1967-68) $21,260,092 (1.6%)	
Grades 1-8......................	All elementary districts are provided supplies of textbooks without charge. Selection is by the State Board of Education, upon recommendation by the State Curriculum Commission.	State share.--100 p or purchase, and di Local share.--Local additional textbook
CHILDREN'S CENTERS (Education Code Secs. 16618, 16645.11, and 16645.28.)	(1967-68) $13,606,702 (1.0%)	
Operation of children's centers..	1965 program includes new development centers for handicapped minors and for transportation of severely handicapped minors to such centers. Allowance based upon hours of attendance and expense of operation.	Local share.--All c allowance nor by pa
JUNIOR COLLEGE TUITION FUND (Education Code Secs. 20201-20211.1.)	(1967-68) $1,715,372 (.1%)	
Grades 13-14....................	State provides the sum necessary for the tuition charge by public junior colleges to the counties for those pupils living in areas not in a junior college distric or the sum due from that area to the new college district, whichever is lesser.	Local share.--None.

PUBLIC SCHOOL FINANCE PROGRAM

, 1968-69--continued

f State Funds for the public schools and for program participation

i percent of State funds for school support, tion of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
(1967-68) $19,086,819 (1.4%) .)		
... Approved expense for operation, as submitted on claim forms, limited to median statewide expense per bus per day, plus 25 percent, using 16 classifications of busses reflecting hours of operation and capacity. Types of expense included are operating expense, repairs, insurance, cost of replacement of equipment, payments to public carriers, payments to parents in lieu of transportation.	Local share.--Original cost of equipment, plus expense of operation less State allowance.	Requirements for participation.--All districts may participate. Distributed.--Monthly from September through June.
(1967-68) $11,404,886 (.9%) .)		
... Maximum allowance is $50 per pupil instructed.	Local share.--Original cost of equipment, plus expense of operation less State allowance.	Requirements for participation.--All high school districts may participate. Limited to "behind the wheel" driver training, not synonymous with classroom driver education. Distributed.--Monthly from September through June.
(1967-68) $21,260,092 (1.6%) 9502.)		
... All elementary districts are provided supplies of textbooks without charge. Selection is by the State Board of Education, upon recommendation by the State Curriculum Commission.	State share.--100 percent of cost to print or purchase, and distribute. Local share.--Local districts may purchase additional textbooks or supplemental books.	
(1967-68) $13,606,702 (1.0%) 5.11,		
rs.. 1965 program includes new development centers for handicapped minors and for transportation of severely handicapped minors to such centers. Allowance based upon hours of attendance and expense of operation.	Local share.--All costs not covered by State allowance nor by parent fees.	Requirements for participation.--Districts which operate care centers for pre-school, and for in-school pupils after school hours. Distributed.--Quarterly.
(1967-68) $1,715,372 (.1%) .1.)		
... State provides the sum necessary for the tuition charge by public junior colleges to the counties for those pupils living in areas not in a junior college distric or the sum due from that area to the new college district, whichever is lesser.	Local share.--None.	Requirements for participation.--Counties wherein area is not within a junior college district are eligible. Area which is annexed to an existing junior college district, or which is included in a newly formed district, is the basis for eligibility. Distributed.--Annually.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for supp the calculated State program all
PRE-SCHOOL COMPENSATORY EDUCATION PROGRAM	(1967-68) $4,107,384 (.3%)	
Pre-kindergarten, aged 3 to 5	Grants to assist schools in pre-school programs for children of families assisted by California Department of Social Welfare.	State share.--Appropriation by the ture is to the Department of Socia and educational activities are con through Department of Education to school districts.
PHYSICAL THERAPISTS IN SPECIAL EDUCATION CLASSES	(1967-68) $2,469,608 (.1%)	
Special Education classes	Grants to provide to school districts the expense of employing physical therapists in classes for the mentally retarded, to better enable the special teachers to conduct the programs.	State share.--Appropriation by the lature to the State Department of Health, which makes subvention dir school districts.
COMPENSATORY EDUCATION (Education Code Secs. 6450-6498.)	(1967-68) $11,000,000 (.8%)	
Grades K-12	Related to Public Law 89-10, and to Elementary and Secondary Education Acts. To districts' assistance in providing special programs for disadvantaged minor	
INSTRUCTIONAL TELEVISION (Education Code Sec. 18270.)	(1967-68) $ 647,018 (.0%)	
General use, grades K-14	Limited to 50 percent of the expense for open or closed circuit television programs, up to **50 cents per pupil per year** participating.	State share.--100 percent of amou Local share.--50 percent of the e over the State allowance.
VOCATIONAL EDUCATION	(1967-68) $1,030,271 (.0%)	
Grades 9-14	State appropriation to supplement Federal grants under Public Law 88-210.	State share.--State's share mixed Federal funds, and distributed t participating in the several voca programs. Local share.--All costs over Sta Federal allowances.

968-69--continued

State Funds for the public schools and for program participation

percent of State funds for school support, on of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
OGRAM (1967-68) $4,107,384 (.3%)		
. Grants to assist schools in pre-school programs for children of families assisted by California Department of Social Welfare.	State share.--Appropriation by the Legialature is to the Department of Social Welfare, and educational activities are contracted through Department of Education to the school districts.	
(1967-68) $2,469,608 (.1%)		
. Grants to provide to school districts the expense of employing physical therapists in classes for the mentally retarded, to better enable the special teachers to conduct the programs.	State share.--Appropriation by the Legislature to the State Department of Public Health, which makes subvention directly to school districts.	
(1967-68) $11,000,000 (.8%)		
. Related to Public Law 89-10, and to Elementary and Secondary Education Acts. To districts' assistance in providing special programs for disadvantaged minor		
(1967-68) $ 647,018 (.0%)		
.. Limited to 50 percent of the expense for open or closed circuit television programs, up to 50 cents per pupil per year participating.	State share.--100 percent of amount. Local share.--50 percent of the expense over the State allowance.	Requirements for participation.--All districts may participate. Distributed.--Monthly.
(1967-68) $1,030,271 (.0%)		
.. State appropriation to supplement Federal grants under Public Law 88-210.	State share.--State's share mixed with Federal funds, and distributed to districts participating in the several vocational programs. Local share.--All costs over State and Federal allowances.	Distributed.--Annually.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares the calculated State pro
STATE CONSTRUCTION PROJECT AREAS (Education Code Secs. 18301-18307)	(1967-68) $ 246,624 (.0%)	
General use, grades K-14.........	An amount per project-connected pupil equal to per pupil expenditure for other pupils.	State share.--100 percent Local share.--None.
EMERGENCIES IN LOCAL AREAS (Education Code Secs. 17308 and 18353.)	(1967-68) $ 1,174 (.0%)	
General use.......................	Any county or district may be eligible, dependent upon degree of emergency, up to a maximum of $100,000 per year for all emergencies.	State share.--100 percent Local share.--None.
SPECIAL ENGLISH (Education Code Secs. 6060-6063.)	(1967-68) $ 50,000 (.0%)	
General purpose, grades K-12.....	Allowance limited to $50 per pupil and the excess expense of the program.	State share.--100 percent amount. Local share.--All costs no State allowance.
GRANTS TO TEACHERS FOR EDUCATIONAL ADVANCEMENT (Education Code Secs. 6875-6878.) (Related to P.L. 85-926 and P.L. 88-164.)	(1967-68) $ 150,000 (.0%)	
Grades K-14......................	Grants to public school teachers to assist in their special training, for teachers in physically handicapped or mentally retarded classes.	State share.--Limited to $ summer sessions programs. Local share.--None. Distr to teachers and receives r

PUBLIC SCHOOL FINANCE PROGRAM

9--continued

Funds for the public schools and for program participation

t of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
(1967-68) $ 246,624 (.0%)		
amount per project-connected pupil ual to per pupil expenditure for ner pupils.	State share.--100 percent of amount. Local share.--None.	Requirements for participation.--Districts in areas where State water resource projects have caused unusual influx of pupils. Distributed.--Monthly from December to June.
(1967-68) $ 1,174 (.0%)		
county or district may be eligible, pendent upon degree of emergency, up a maximum of $100,000 per year for emergencies.	State share.--100 percent of amount. Local share.--None.	
(1967-68) $ 50,000 (.0%)		
owance limited to $50 per pupil and excess expense of the program.	State share.--100 percent of calculated amount. Local share.--All costs not covered by State allowance.	Requirements for participation.--Districts having sufficient bi-lingual pupils.
(1967-68) $ 150,000 (.0%) 78.)		
nts to public school teachers to ist in their special training, for chers in physically handicapped or tally retarded classes.	State share.--Limited to $50 per unit of summer sessions programs. Local share.--None. District makes grants to teachers and receives reimbursement.	

CALIFORNIA

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support the calculated State program allowan
LOAN FUND (School Construction)		
STATE SCHOOL BUILDING AID PROGRAM (Education Code Secs. 19401-19925.)	$89,523,698	
Grades K-14..................... For site acquisition and building construction. Title to funds and property acquired remain in the State's name until loan is repaid.	The State's bonding capacity is used to provide funds to be loaned to school districts. Beginning in 1947, various amounts have been made available, totaling $1,890,000,000. Priority for allocating funds is based on acuteness of overcrowding, sudden growth, or proportion of total tax funds expended for school housing.	State share.--The State's cost is th of administration and the interest o overall State bond indebtedness. Th amount in column one is the interest during 1967-68 on the State's debt f funds to finance this program. Local share.--A school district must ceed 95 percent of its bonding capac to be eligible.

CALIFORNIA

-69--continued

Funds for the public schools and for program participation

t of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Construction)		
$89,523,698		
he State's bonding capacity is used to rovide funds to be loaned to school istricts. Beginning in 1947, various mounts have been made available, total ng $1,890,000,000. riority for allocating funds is based n acuteness of overcrowding, sudden rowth, or proportion of total tax unds expended for school housing.	State share.--The State's cost is that of administration and the interest on the overall State bond indebtedness. The amount in column one is the interest paid during 1967-68 on the State's debt for funds to finance this program. Local share.--A school district must exceed 95 percent of its bonding capacity to be eligible.	Requirements for participation.--All districts may participate.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations are established by county assessors who are selected by popular vote. Each year during the first week in July, the county board of supervisors for each county holds hearings and may adjust individual assessment values. Assessment procedures are not supervised by State officials, but the State Board of Equalization tests valuation practices and publishes the variance of each county from the average. The State Board of Equalization rather than county assessors establishes the property valuations of all public utilities throughout the State. In computing all State aid to public schools, the valuations by county assessors are modified by the variances determined by the State Board of Equalization.

Intermediate districts.--Sufficient revenue must be raised at county levels to supplement Basic Aid provided by the State to pay the tuition and transportation costs of pupils residing in the county but attending school in an adjoining State. Portions of counties which do not operate a junior college must levy tax on the county property outside of junior college districts to supplement Basic Aid provided by the State to pay the tuition, plus $300 for school plant for each student who attends a junior college. Unification of school districts is the combination of two or more levels of education under the jurisdiction of one local board of education. Elections for the purpose of unification of elementary and high school districts are required periodically. When such elections fail, the single-level districts are subject to area-wide taxation by the county, with a levy of 10 mills for elementary districts and 8 mills for high school districts, with the proceeds distributed to the districts concerned according to the foundation programs computed by the State. Even though the proposed unification fails, those districts which voted "yes" receive the unification bonus of $20 when the State computes the Foundation Program. The maximum local levy by a district for school purposes is correspondingly reduced when a district is included in the basis for an area-wide tax.

Local district.--The maximum levy for school purposes which may be made without a vote of the people is 8 mills for districts maintaining grades 1-8, 9 mills for those having a kindergarten in addition to grades 1-8, 7.5 mills for high school districts, and 3.5 mills for junior college districts. These maximums may be increased for special purposes outlined in the statutes, by a majority of the qualified electors in a special election. Furthermore, the legal or voted maximum may be increased without a vote by one or more of over thirty "override" tax rates for special purposes. The total tax rate is applied to the actual assessed valuations of all real and personal property within the district. Very few districts operate on tax rates of less than the "legal" maximums.

Provisions for School Indebtedness

Initiating bond issues.--The governing board of any school district may, when in its judgment it is advisable, and shall, upon a petition of the majority of the qualified electors residing in the school district, order the county superintendent of schools to call an election and submit to the electors of the district the question whether the bonds of the district shall be issued and sold for the purpose of raising money for the following purposes: (a) the purchasing of school lots; (b) the building or purchasing of school buildings; (c) the making of alterations or additions to the school building or buildings other than such as may be necessary for current maintenance, operation, or repairs; (d) the repairing, restoring, or rebuilding of any school building damaged, injured, or destroyed by fire or other public calamity; (e) the supplying of

school buildings and
apparatus of a perma
grounds; (g) the ref
district, evidenced
(h) the carrying out
drainage; (i) the pu
least 20 years; and
the intent to replac
location or in any c

Any one or more
any outstanding val
may, by order of the
voted upon as one s

Limitations on
The maximum time fo
is the maximum inte

Limitations on
issued up to 5 perce
modification by the
of Equalization. Th
districts.

Voting requiren
of those voting.

Approval and sa
supervisors must adv
awarded to the highe
bond issues is not
offered for purchase

Bond records, t
retirement of bonds
expenditures. When
auditor must levy su

Short-term inde
in anticipation of
visors may have avai
No interest is paid
monies are collecte
when district funds
and such warrants be
are rarely used.

Provisions for Scho

Budget forms.-
of Public Instructi
County Property Tax
and ends on June 30

stablished by county
r during the first week in
holds hearings and may
edures are not supervised
on tests valuation practices
erage. The State Board of
the property valuations of
ing all State aid to public
ed by the variances deter-

be raised at county levels
he tuition and transpor-
nding school in an adjoin-
a junior college must levy
istricts to supplement
s $300 for school plant
ation of school districts
under the jurisdiction of
se of unification of
odically. When such
to area-wide taxation by
ricts and 8 mills for high
the districts concerned
tate. Even though the
d "yes" receive the
oundation Program. The
s correspondingly reduced
ide tax.

oses which may be made
maintaining grades 1-8,
grades 1-8, 7.5 mills for
e districts. These
d in the statutes, by a
on. Furthermore, the
by one or more of over
total tax rate is applied
onal property within the
less than the "legal"

y school district may,
a petition of the majority
ict, order the county
t to the electors of the
shall be issued and sold
oses: (a) the purchasing
l buildings; (c) the
ng or buildings other
operation, or repairs;
ol building damaged,
(e) the supplying of

school buildings and grounds with furniture, equipment, or necessary apparatus of a permanent nature; (f) the permanent improvement of the school grounds; (g) the refunding of any outstanding valid indebtedness of the district, evidenced by bonds, or of State school building aid loans; (h) the carrying out of the projects or purposes related to sewage or drainage; (i) the purchase of school buses, the useful life of which is at least 20 years; and (j) the demolition or razing of any school building with the intent to replace it with another school building, whether in the same location or in any other location.

Any one or more of the purposes enumerated, except that of refunding any outstanding valid indebtedness of the district evidenced by bonds, may, by order of the governing board entered in its minutes, be united and voted upon as one single proposition.

Limitations on issuance of bonds.--Only serial bonds may be issued. The maximum time for which bonds may be issued is 25 years. Five percent is the maximum interest rate.

Limitations on debt.--The statutes provide that school bonds may be issued up to 5 percent of the property valuation of the districts, after modification by the variance between counties determined by the State Board of Equalization. This applies to elementary, high school, and junior college districts.

Voting requirements.--All bonds must be approved by a two-thirds majority of those voting.

Approval and sale of bonds.--Before selling the bonds, the board of supervisors must advertise for bids at least 2 weeks, and bonds must be awarded to the highest responsible bidder or bidders. State approval of bond issues is not required, and it is not necessary that bonds first be offered for purchase by a State agency.

Bond records, tax levies, and payments.--Taxes for the service and retirement of bonds are over and above the limits prescribed for current expenditures. When bonds have been issued according to law, the county auditor must levy sufficient taxes to service the debt.

Short-term indebtedness.--School boards are authorized to accept advances in anticipation of current revenues from any funds the county board of supervisors may have available or from the County School Services distribution. No interest is paid on these amounts, but they must be repaid as the tax monies are collected. School boards may issue interest-bearing warrants when district funds are insufficient for valid claims against the district, and such warrants bear interest at the rate of 5 percent. These provisions are rarely used.

BUDGET AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms are prescribed by the State Superintendent of Public Instruction, and provided by county superintendents from General County Property Tax money. The State and school fiscal year begins on July 1 and ends on June 30. All school districts have the same fiscal year.

Provisions for School Budgets--continued

Local approval.--On or before July 1, the governing board of each school district must file with the county superintendent of schools a tentative budget.

The county superintendent of schools examines the tentative budget and, after indicating thereon such changes as he deems desirable or necessary, returns it by July 15. He has no authority to change budgets. Publication of the budget and a public hearing are required.

The final date for approval by the local district is August 8 except for those with over 10,000 pupils, for which the date is August 10. The county superintendent of schools approves the adopted budget by August 15, and files one copy with the board of supervisors and one copy with the auditor of his county.

State review or approval.--A copy of the budg
State Superintendent of Public Instruction. The S
change the budget since it is filed in the State
reference purposes only.

Provisions for School Audits

Not later than the first day of June of each
of the county superintendent of schools and each
for an audit of the books and account of funds fo
Audits are performed by a certified public accoun
licensed by the State Board of Accountancy. Audi
nation of records were developed, and are revised
Department of Finance. A report of each audit is
clerk, county superintendent of schools, the Stat
and the State Department of Finance.

overning board of each school
t of schools a tentative budget.

es the tentative budget and,
s desirable or necessary, returns
dgets. Publication of the budget

strict is August 8 except for
e is August 10. The county
udget by August 15, and files
opy with the auditor of his

State review or approval.--A copy of the budget is also filed with the State Superintendent of Public Instruction. The State has no authority to change the budget since it is filed in the State office for review and reference purposes only.

Provisions for School Audits

Not later than the first day of June of each fiscal year, each office of the county superintendent of schools and each district shall provide for an audit of the books and account of funds for which each is responsible. Audits are performed by a certified public accountant or a public accountant licensed by the State Board of Accountancy. Auditing procedures for examination of records were developed, and are revised periodically, by the State Department of Finance. A report of each audit is filed with the county clerk, county superintendent of schools, the State Department of Education, and the State Department of Finance.

COLORADO
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

COLORADO PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Paul G. Bethke, Consultant, School Finance, Colorado Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 28.8 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local district revenue receipts, is provided by the State.

2. Of the State funds distributed for public education, about 3.9 percent is from the State School Land Fund, 2.8 percent is from the State portion of Federal mineral lease receipts, and 93.3 percent is provided by legislative appropriation.

3. About 54.2 percent of the State funds distributed for the public schools, grades K-12, is allotted from the State Public School Fund for the regular portion of the State foundation program.

4. The foundation program provides a school support level of $5,400 for each 25 pupils in average daily attendance (ADA) in grades K-12. This $216 per pupil in ADA comes from the State Public School Fund--Minimum Equalization Program portion and from county taxes. The State share ranges from 3.7 to 80.2 percent of the foundation program level for the separate districts.

5. Four other portions of the State Public School Fund account for 2 percent of the State grant distributions for schools. Supported by these distributions are increased school district attendance, districts operating small attendance centers, emergency conditions, and districts in low income counties.

6. Property Tax Relief, instituted in 1966, now accounts for 33.9 percent of the total State support for public elementary and secondary education. It is a direct grant without any equalizing features. During calendar year 1968, the State allocation was $52 per pupil in ADA. In calendar year 1969, the allocation is increased to $65 per pupil in average daily attendance.

LOCAL SUPPORT

1. About 97.2 percent of the county and local revenue for public elementary and secondary schools, including about $12 million, from specific ownership fees in lieu of taxes on motor vehicles, is obtained from property taxes. The other 3.8 percent is from rental, fees, tuition, and donations. No nonproperty taxes are employed.

2. To participate in the State Public School Fund--Minimum Equalization Program portion, each county must raise a required amount of dollars from a tax levy for the county public school fund. The tax rate varies for each county because the required support is based on a measure of ability which includes the amount of personal income as well as the valuation for assessment of taxable property.

3. Local school districts may increase their budgets not to exceed 5 percent of the local district property tax revenues, excluding revenues for redemption of long term bonds and interest thereon, in the preceding year. Requirements in excess of 5 percent may be approved by the State Tax Commission, or, if denied, may be submitted to a vote of the electors for approval. There is no limit on the tax rate. The Capital Reserve Fund is limited to 2 mills and is included in the 5 percent limitation.

4. Necessary tax rates for debt service are separate from those for current expenditure levies.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for support o the calculated State program allowanc
Total		$91,981,806	(100.0%)	
STATE PUBLIC SCHOOL FUND--Minimum Equalization Program Portion (Ch. 123-6-11, Colorado Revised Statutes, 1963)		$49,871,831	(54.2%)	
Current expense, grades K-12....	$5,400 per classroom unit for which a teacher is employed.			State share.--Calculated amount minus lo share. Each county is guaranteed at lea $200 per classroom unit.
Regular, full-day ADA........	One unit for each 25 pupils in ADA at a 172-day base.			Local share.--The county's required shar
Kindergarten and half-day ADA.........................	Such pupils count for only one half.			$.0057\left(\frac{\text{County adjusted gross income} + \text{Property valuat for assessment}}{\text{Number of classroom units}}\right.$
				Plus required support of: $200 per classroom unit.
PUBLIC SCHOOL PROPERTY TAX RELIEF FUND (Ch. 42, Session Laws 1965 and Ch. 29, Session Laws 1966)		$31,159,375	(33.9%)	
	$52 per pupil in ADA --July 1 - October 31, 1968 $65 per pupil in ADA --January 1 - June 30, 1969 Payments in 1968-69 are in respect to school years 1966-67 and 1967-68. This appropriation is made on a calendar year basis.			State share.--100 percent of calculated amount. Local share.--None.
PUBLIC SCHOOL TRANSPORTATION FUND (Ch. 123-10-48 to 58, Colorado Revised Statutes 1963.)		$4,750,000	(5.2%)	
	$.15 per bus miles traveled. $.03 per pupil day. $.15 per pupil day for board.			State share.--Calculated amount, but no exceed 75 percent of transportation expense, excluding capital outlay. Local share.--Balance of cost for pupil transportation expenses.

1968-69

e funds for the public schools and for program participation

nt of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . $91,981,806 (100.0%)		
lization $49,871,831 (54.2%) es, 1963) 5,400 per classroom unit for which a eacher is employed. e unit for each 25 pupils in ADA at a 72-day base. uch pupils count for only one half.	State share.--Calculated amount minus local share. Each county is guaranteed at least $200 per classroom unit. Local share.--The county's required share $.0057\left(\frac{\text{County adjusted gross income} + \text{Property valuation for assessment}}{\text{Number of classroom units}}\right)$ Plus required support of: $200 per classroom unit.	Requirements for participation.--Comply with State provisions for the program, maintain school at least 172 days, employ teachers at least equal in number to the number of allowed classroom units. Extent of participation.--181 school districts. Distribution.--The first day of September, December, March, and June.
$31,159,375 (33.9%) 52 per pupil in ADA --July 1 - October 1, 1968 65 per pupil in ADA --January 1 - une 30, 1969 ayments in 1968-69 are in respect to chool years 1966-67 and 1967-68. his appropriation is made on a calendar ear basis.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--None. Extent of participation.--182 school districts. Distribution.--Quarterly on a calendar year. August and November 1968 at annual rate of $52 per 1968 ADA, February and May 1969 at annual rate of $65 per 1967-68 ADA.
$4,750,000 (5.2%) .15 per bus miles traveled. .03 per pupil day. .15 per pupil day for board.	State share.--Calculated amount, but not to exceed 75 percent of transportation expense, excluding capital outlay. Local share.--Balance of cost for pupil transportation expenses.	Requirements for participation.--Transportation of pupils in a bus in compliance with State bus regulations, to and from their residence and the public school in which they are enrolled. Extent of participation.--181 school districts. Distribution.--In October.

Provisions for the distribution of State funds for the public schools and for program par

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State a the calc
PHYSICALLY AND MENTALLY HANDICAPPED CHILDREN FUND (Ch. 257 Laws 1965)	$4,000,000 (4.3%)	
Salaries of program director and supervisors; special class teachers; speech correctionists; and teachers of homebound or hospitalized children..	Amount of salaries	State sha approved centage calculate Local sha ered by
Psychologists, psychiatrists and social workers..............	Cost of evaluation and consultation.	State sha evaluati
Special transportation..........	Cost of special transportation.	State sha cost.
Foster home placement of child in another district......	Cost to provide foster home.	State sha cost to
STATE PUBLIC SCHOOL FUND--Small Attendance Centers Portion (Ch. 123-6-15, Colorado Revised Statutes 1963.)	$ 1,144,000 (1.2%)	
Current expense, grades K-12....	$5,200 for each additional classroom unit to the extent of the difference between those provided by the Minimum Equalization Program and those shown in the table below:	State sha share. Local sha

ADA	Classroom Units	
	Grades 1-6 or 1-8	Grades 7-12 or 9-12
25 or less	1.5	1.5
25.1 to 50	2	4
50.1 to 75	3	5
75.1 to 100	4	6
100.1 to 125	5	7
125.1 to 150	6	7
150.1 to 175	-	7

COLORADO

STATE SUPPORT, 1968-69--continued

tribution of State funds for the public schools and for program participation

amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
LLY HANDICAPPED $4,000,000 (4.3%) 257 Laws 1965)			
am director special class correction- s of home- ized children..	Amount of salaries	State share.--80 percent of salaries of approved personnel. State pays the percentage shown or a pro-rata share of the calculated amount if funds are inadequate. Local share.--Portion of the cost not covered by reimbursement.	Requirements for participation.--Maintain and operate a State-approved program for the education of physically handicapped children. Extent of participation.--62 school districts. Distribution.--In August, in year following appropriation.
ychiatrists s..............	Cost of evaluation and consultation.	State share.--80 percent of cost for evaluation and consultation.	
ation..........	Cost of special transportation.	State share.--50 percent of transportation cost.	
ment of district......	Cost to provide foster home.	State share.--100 percent of foster home cost to $800 per school year maximum.	
FUND--Small Attendance $ 1,144,000 (1.2%) . 123-6-15, Colorado 3.)			
grades K-12....	$5,200 for each additional classroom unit to the extent of the difference between those provided by the Minimum Equalization Program and those shown in the table below:	State share.--100 percent of calculated share. Local share.--None.	Requirements for participation.--Comply with State requirements for the program; maintain school at least 172 days; employ teachers for the centers at least equal in number to the number of allowed classroom units; operate one or more necessary isolated elementary centers having fewer than 150 ADA or secondary school centers having fewer than 175 ADA. Such school is located 20 or more miles from a similar attendance center in the same district, if reorganized. Extent of participation.--88 school districts. Distribution.--In November.

ADA	Classroom Units	
	Grades 1-6 or 1-8	Grades 7-12 or 9-12
25 or less	1.5	1.5
25.1 to 50	2	4
50.1 to 75	3	5
75.1 to 100	4	6
100.1 to 125	5	7
125.1 to 150	6	7
150.1 to 175	-	7

STATE SUPPORT, 1968-69 --Continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for suppo the calculated State program allo
STATE PUBLIC SCHOOL FUND--Excess Growth Portion $ 431,600 (.5%) (Ch. 123-6-14, Colorado Revised Statutes 1963.)	
Current operation, grades K-12... $5,200 per each additional classroom unit over a 5 percent increase. One classroom unit per 25 additional pupils in ADA above first 5 percent increase.	State share--100 percent of calcula amount. Local share--All costs for first 5 increase in ADA.
STATE PUBLIC SCHOOL FUND--Contingency Reserve $ 300,000 (.3%) (Ch. 123-6-17, Colorado Revised Statutes 1963, as amended by Ch. 254, Session Laws 1965.)	
Current expense, grades K-12..... Amount of emergency financial help needed.	State share--100 percent of amount ed by the State Board of Education Local share--All revenue available cal school support.
NATIONAL DEFENSE EDUCATION ACT--Title III Fund $ 160,000 (.2%) (Colorado State Plan for Title III, NDEA Projects.)	
Improvement in science, mathematics, foreign languages, reading, English, history, civics, and economics instruction............ Cost of equipment and material for such improvement.	State share--State pays about 8 pe approved amount. An additional 50 of the amount of the approved appl is paid from $600,000 of Federal f Local share--Approximately 42 perc the cost of approved projects amou
MIGRANT CHILDREN EDUCATIONAL FUND $ 165,000 (.2%) (Ch. 123-29-1 to 6, Colorado Revised Statutes 1963.)	
Regular term...................... Additional necessary cost.	State share--100 percent of additi necessary cost for regular term. Local share--Cost of administratio the level of the principal, and pr of buildings, buses, and other equ

PUBLIC SCHOOL FINANCE PROGRAM

ntinued

for the public schools and for program participation

tate funds for school support, ct allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 431,600 (.5%))		
er each additional classroom r a 5 percent increase. One m unit per 25 additional pupils bove first 5 percent increase. $ 300,000 (.3%)	**State share**--100 percent of calculated amount. **Local share**--All costs for first 5 percent increase in ADA.	**Requirements for participation**--Same as shown for "Minimum Equalization Program Portion." Have an ADA increase for the first 12 weeks of the current school year in excess of 5 percent over the first 12 weeks of the preceding school year. **Extent of participation**--20 school districts. **Distributed**-- January.
f emergency financial help $ 160,000 (.2%) cts.)	**State share**--100 percent of amount approved by the State Board of Education. **Local share**--All revenue available for local school support.	**Requirements for participation**--Same as shown for "Minimum Equalization Program Portion" and have an emergency need for assistance due to an act of God or extraordinary tax-collection problems, contingencies not foreseen when adopting local budget, unusual small-size conditions not otherwise provided for, additional support to low-income counties, and other factors of extreme emergency. **Extent of participation**--16 school districts. **Distributed**.--Any time during school year.
quipment and material for such ent. $ 165,000 (.2%)	**State share**--State pays about 8 percent of approved amount. An additional 50 percent of the amount of the approved applications is paid from $600,000 of Federal funds. **Local share**--Approximately 42 percent of the cost of approved projects amounts.	**Requirements for participation**--Operating districts must obtain approval of project applications. **Extent of participation**--147 school districts. **Distributed**--September 1968, or June 1969.
al necessary cost.	**State share**--100 percent of additional necessary cost for regular term. **Local share**--Cost of administration above the level of the principal, and provide use of buildings, buses, and other equipment.	**Requirements for participation**--Make application on State forms and enroll school-age children of migrant farm workers. **Extent of participation**--11 school districts. **Distribution** in July and August.

STATE SUPPORT, 1968-69 --continued.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support o the calculated State program allowanc
MIGRANT CHILDREN EDUCATIONAL FUND--Continued		
Summer school....................	Additional necessary cost derived from formula approved by the State Board of Education.	State share--100 percent of expense to imum as specified by formula. Local share--Same as "Regular term."
School lunches for migrant children.........................	Cost of lunches.	State share--Cost of lunches, minus valu donated commodities, cash subsidies from National School Lunch program, and pupil payment of 10 cents per meal. Local share--Same as "Regular term."
Transportation..................	Fixed rate per mile, plus driver's salary	State share--100 percent of transportat allowance. Local share--Same as "Regular term."
STATE PUBLIC SCHOOL FUND--Contingency Reserve, Low-Income Counties Portion. (Ch. 123-6-16, Colorado Revised Statutes 1963.)	(No specific appropriation at this time. 12 counties have first lien on Contingency Reserve Fund.)	
Contingency Reserve, Low Income Counties Portion.......... (Current expense, grades K-12)	$200 per classroom unit in counties with less than $100,000 adjusted gross income per classroom unit.	State share--100 percent of calculated amount. Local share--None.

COLORADO

inued.

or the public schools and for program participation

te funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
necessary cost derived from proved by the State Board of	State share--100 percent of expense to maximum as specified by formula. Local share--Same as "Regular term."	
nches.	State share--Cost of lunches, minus value of donated commodities, cash subsidies from the National School Lunch program, and pupil payment of 10 cents per meal. Local share--Same as "Regular term."	
e per mile, plus driver's salary.	State share--100 percent of transportation allowance. Local share--Same as "Regular term."	
specific appropriation at this e. 12 counties have first lien Contingency Reserve Fund.)		
classroom unit in counties with $100,000 adjusted gross income room unit.	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--Same as shown for "Minimum Equalizing Program Portion." County personnel adjusted the gross income as reported for the second preceding year of less than $100,000 per classroom unit. Extent of participation--27 school districts. Distributed in November.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Public utility valuations are established by the State Tax Commission. All other valuations are established by the county assessor, who is elected by popular vote. However, the State Tax Commission may recommend adjustments of county valuations to the State Equalization Board which has authority to approve or deny such adjustments. Valuations on property are reviewed by the Colorado Tax Commission, which has responsibility for developing detailed appraisal manuals and establishing uniform methods and procedures relating to forms and records.

The law provides for determining actual value of property. The valuation for assessment shall be 30 percent of actual value. If, on the first day of August 1964, the valuation for assessment differed from 30 percent of actual value, it shall be adjusted in the years 1965, 1966, and 1967, to the end that it is 30 percent of actual value.

Intermediate districts.--A county public school fund tax of varying millage is required of all counties in accordance with the formula described under the Minimum Equalization Program. There is no specified maximum tax rate, but the tax is limited to the amount required for the Minimum Equalization Program portion of the State Public School Fund. The levy is upon the entire valuation for assessment of the county. There are no non-property taxes in the counties for school purposes.

Local districts.--In all districts, the local tax for current operations which may be levied by the local board is limited to a 5 percent increase over the tax revenue for the preceding year. The State Tax Commission may approve an additional levy without limit. Upon denial by the State Tax Commission, the levy may be increased without limit by voter approval, as expressed through affirmative vote of a majority of the votes cast in the election by electors paying taxes on real property.

Local taxes are levied on State-approved valuations for assessment. Local revenue for schools from sources other than property taxes include miscellaneous district income other than taxes. No nonproperty taxes are authorized to be levied specifically for local school support.

All local school boards have power to establish their budgets and levy taxes without any review by another local agency of government. Local boards may also establish a capital reserve fund for which they may approve a levy of not to exceed 2 mills. This fund, accumulated for capital outlay, may include receipts from taxes, donations, and tuition.

Provisions for School Indebtedness

Initiating bond issues.--A proposal for bond issues is initiated by the school board. Bonds may be issued for erecting or furnishing school buildings, purchasing grounds, paying floating debts, and refunding bonded debt. Initiation of bond issues rests entirely upon the school board.

Limitations on issuance of bonds.--All bonds must be issued by serial number. Maturity of bonds must commence not later than five years and extend no more than 25 years.

Limitations on debt.--The to
is limited by statute to 10 perce
tion for assessment, except in ca
mission may approve an amount up

Voting requirements.--Bonds
all taxpaying electors voting on
election. The name of the voter
voting precinct. In all cases, t
tax in the school district during

Approval and sale of bonds.-
for sale of bonds. The State doe
and it is not necessary that they
bonds may be purchased by the Sta

School bonds which are gener
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Bond records, tax levies, a
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Short-term indebtedness.--W
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Any school district (except
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December 31 of the year in which
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excessive increase in levy to ba
Such loans shall be fully paid w
may be negotiated in each budget
within six months. Such loans s
a period not to exceed 10 years

ue

utility valuations are established by the State
ns are established by the county assessor, who
r, the State Tax Commission may recommend ad-
he State Equalization Board which has authority
. Valuations on property are reviewed by the
responsibility for developing detailed ap-
iform methods and procedures relating to forms

ng actual value of property. The valuation for
ctual value. If, on the first day of August
differed from 30 percent of actual value, it
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nty public school fund tax of varying millage
rdance with the formula described under the
e is no specified maximum tax rate, but the
ed for the Minimum Equalization Program portion
he levy is upon the entire valuation for as-
no non-property taxes in the counties for

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ard is limited to a 5 percent increase over
ear. The State Tax Commission may approve an
n denial by the State Tax Commission, the levy
oter approval, as expressed through affirmative
t in the election by electors paying taxes on

e-approved valuations for assessment. Local
her than property taxes include miscellaneous
No nonproperty taxes are authorized to be
l support.

e power to establish their budgets and levy
local agency of government. Local boards may
nd for which they may approve a levy of not to
ated for capital outlay, may include receipts
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posal for bond issues is initiated by the school
ecting or furnishing school buildings, pur-
bts, and refunding bonded debt. Initiation
the school board.

nds.--All bonds must be issued by serial number.
t later than five years and extend no more than

Limitations on debt.--The total bonded indebtedness of a school district is limited by statute to 10 percent of the State reviewed and approved valuation for assessment, except in case of emergencies when the State Tax Commission may approve an amount up to an additional 5 percent.

Voting requirements.--Bonds are required to be approved by a majority of all taxpaying electors voting on the issue at a general or special school election. The name of the voter must appear upon the registration list of the voting precinct. In all cases, the voter must have paid an ad valorem school tax in the school district during the twelve months next preceding the election.

Approval and sale of bonds.--Approval by a State agency is not necessary for sale of bonds. The State does not assist with the sale of school bonds, and it is not necessary that they be offered to the State. However, school bonds may be purchased by the State of Colorado.

School bonds which are general obligations of legal school districts and which have been authorized by vote of the district qualified electors, may be purchased as an investment of the Public School Fund. (Chapter 123-4-1 (5) Colorado Revised Statutes 1963.)

Bond records, tax levies, and payments.--Tax limits for current operation do not apply to levies for retiring bonds. For meeting bonded debt obligations, the county commissioners are responsible for setting a necessary levy in the event provisions have not been made by the school district. Payment of the bonds is made by the school board, or the board may designate the county treasury as the place of payment.

Short-term indebtedness.--Warrants may be issued up to the full amount of the authorized budget, but not in excess of anticipated revenues. If money is not currently available, the warrants must be registered and retired in the order of their registration. The statutory interest rate on such warrants is 6 percent. Provision is made for other temporary loans, the money from which must be applied to payment of the registered warrants. Under publicized declaration of emergency, additional warrants may be issued to the extent of .2 percent of the valuation for assessment.

Any school district (excepting junior college districts) making a change to a calendar-year fiscal year, which has a general fund deficit as of December 31 of the year in which the change is made, may negotiate or contract for a loan not to exceed the amount of said deficit, in order to avoid an excessive increase in levy to balance the budget for the ensuing fiscal year. Such loans shall be fully paid within six months. Subsequent short-term loans may be negotiated in each budget year in smaller amounts and shall be paid within six months. Such loans shall be scheduled to liquidate the deficit in a period not to exceed 10 years from the date of the first loan.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms are prescribed and provided by the State. Local school officials are responsible for the preparation of the budget. The fiscal year of each school district is the calendar year and the budget year shall be the same as the fiscal year.

The State fiscal year and the official school year begin on July 1 and end on June 30.

Local approval.--Budgets must be adopted and appropriations for the budget made prior to the beginning of the fiscal year. A notice of the date for adoption of the budget, the place where it may be inspected, and the time set for considering adoption must be publicized. Any interested party may make recommendations for change, which may be applied at the discretion of the school board. No other local agency of government has authority for budget review or approval.

County commissioners must levy such rate, within the limits allowed by law, as will provide the amount certified by the school board.

State review or approval.
exceeds 5 percent of the tax r
raised for retirement of bonds
increase the levy must be pres
the increase without limitatio
mission, or denial by the Comm
paying taxes on real estate wi
by a majority vote.

There is no other require
budget. However, upon adoptio
required to place the adopted
the principal administrative o
copies of the adopted budget s
of Education within thirty day
the budget was adopted.

Provisions for School Audits

Audits are required to be
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audits must be paid by the dis
nor expenditures for any fisca
the State auditor, be exempt;
cause a report to be prepared
auditor; that such report be p
majority of the members of the
the State auditor within six m

AND AUDITS

s are prescribed and provided by the State.
ponsible for the preparation of the budget.
district is the calendar year and the budget
fiscal year.

the official school year begin on July 1 and

must be adopted and appropriations for the bud-
of the fiscal year. A notice of the date for
ce where it may be inspected, and the time set
e publicized. Any interested party may make
ch may be applied at the discretion of the
gency of government has authority for budget

levy such rate, within the limits allowed by
certified by the school board.

State review or approval.--If the proposed increase in the school tax levy exceeds 5 percent of the tax revenue for the preceding year, excluding revenue raised for retirement of bonds and interest thereon, a request for permission to increase the levy must be presented to the State Tax Commission which may grant the increase without limitation. Upon failure to act within 10 days by the Commission, or denial by the Commission, the issue may be brought to the electors paying taxes on real estate within the district, who may approve such increase by a majority vote.

There is no other requirement pertaining to State approval of the local budget. However, upon adoption, the governing body of the school district is required to place the adopted budget and appropriation resolution on file at the principal administrative office of the school district and file certified copies of the adopted budget and appropriation resolution with the Commissioner of Education within thirty days after the beginning of the fiscal year for which the budget was adopted.

Provisions for School Audits

Audits are required to be made annually by an independent individual or auditing agency licensed to practice in the State of Colorado. The cost of the audits must be paid by the district. Any school district where neither revenues nor expenditures for any fiscal year exceed $20,000, may, with the approval of the State auditor, be exempt; provided: that the members of the school board cause a report to be prepared in accordance with regulations issued by the State auditor; that such report be personally reviewed, approved, and signed by a majority of the members of the school board; and that the report be filed with the State auditor within six months after the close of the fiscal year.

CONNECTICUT

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

CONNECTICUT PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. James J. Naughton, Education Consultant, Bureau of Research, Statistics, and Finance, Connecticut State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 34 percent of the non**federal** revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. State support funds are derived principally from legislative appropriation. The only other source is income from permanent school endowments, and this amounts to less than half of one percent.
3. Two State grant distributions account for 85.7 percent of the total State apportionment, 73.6 percent through the Per Pupil Aid Fund, and 12.1 percent through the School Buildings Fund.
4. Per Pupil Aid Fund apportionments range from $120 per resident pupil in average daily membership (ADM) plus a district allowance of $97,500 for towns having 600 or more pupils to $175 per resident pupil for towns with 300 or fewer pupils. An additional period, regardless of the number of pupils in the town, is also provided.
5. Capital outlay support provides half of the cost of school construction or $700 per pupil, $1,100 for the pupil capacity of the new construction, whichever is less.
6. The other eleven distributions account for 14 percent.

LOCAL SUPPORT

1. Approximately 97 percent of the local school revenue is obtained from general property taxes.
2. The remaining 3 percent of the local school revenue is from miscellaneous sources which are shared with other governmental agencies. There are no local nonproperty taxes specifically authorized to be used for public school support. All such monies go into a general town fund.
3. No specified tax rate is required for local district participation in the State Per Pupil Aid Fund.
4. There are no specified local tax limits for schools.
5. In 1963, the legislature enacted new debt limitations. The new limits for schools of cities and towns and regional school districts are based upon the annual tax receipts averaged for last 3 fiscal years multiplied by certain fixed factors.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and f program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shar the calculated State
Total $132,341,200 (100.0%)	
PER PUPIL AID FUND (Secs. 10-261 to 10-265, General Statutes) $ 97,423,800 (73.6%)	
Distributed to pay operating or tuition expenses for resident public school pupils. Amount of per pupil grant depends on the number of resident pupils in ADM in grades K-12 during preceding year and ranges from $175 per pupil for towns having lower than 301 pupils to $97,500 plus $120 per pupil in excess of 600 per town having more than 600 pupils in ADM. In addition, towns receive $20 per pupil for the increase in ADM over a 10-year period which ends with the preceding year.	State share.--100 perc amount. Local share.--No speci required.
SCHOOL BUILDING AID FUND (Secs. 10-282 to 10-288, General Statutes) $ 16,000,000 (12,1%)	
The State contribution for elementary school construction is $700 per pupil for the capacity of the project and for high school buildings, 100 per pupil for such capacity. State contribution may not exceed half of the cost of construction. Special aid is provided for towns in extreme need to the extent required. Major alterations are reimbursed at one-third of cost.	State share.--State sh one-half of cost. Local share.--Local sh at least one-half of c
TRANSPORTATION FUND--Elementary, Secondary, and Mentally Handicapped Transportation Fund (Sec. 10-273a, General Statutes) $ 5,125,105 (3.8%)	
Payments made as reimbursement cover half the cost for providing the service not to exceed $20 per pupil transported, with no limit on mentally handicapped pupils.	State share.--100 perc amount. Local share.--At least program. No specific

PUBLIC SCHOOL FINANCE PROGRAM

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ion of State Funds for the public schools and for program participation

t., and percent of State funds for school support, iculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . . $132,341,200 (100.0%)		
eral Statutes) $ 97,423,800 (73.6%) Distributed to pay operating or tuition expenses for resident public school pupils. Amount of per pupil grant depends on the number of resident pupils in ADM in grades K-12 during preceding year and ranges from $175 per pupil for towns having lower than 301 pupils to $97,500 plus $120 per pupil in excess of 600 per town having more than 600 pupils in ADM. In addition, towns receive $20 per pupil for the increase in ADM over a 10-year period which ends with the preceding year.	State share.--100 percent of approved amount. Local share.--No specific local levy is required.	Requirements for participation.--Towns must maintain schools according to law. Extent of participation.--169 school districts. Distribution.--One-third is paid to towns in October, another third in January, and final third in April.
ral $ 16,000,000 (12.1%) The State contribution for elementary school construction is $700 per pupil for the capacity of the project and for high school buildings, 100 per pupil for such capacity. State contribution may not exceed half of the cost of construction. Special aid is provided for towns in extreme need to the extent required. Major alterations are reimbursed at one-third of cost.	State share.--State share may not exceed one-half of cost. Local share.--Local share required for at least one-half of cost.	Requirements for participation.--School building projects of a town must comply with regulations of the State fire marshall and the State Department of Health. Applications must be approved by the State Department of Education. Extent of participation.--174 school districts.
y, Secondary, portation atutes) $ 5,125,105 (3.8%) Payments made as reimbursement cover half the cost for providing the service not to exceed $20 per pupil transported, with no limit on mentally handicapped pupils.	State share.--100 percent of approved amount. Local share.--At least half of cost of program. No specific levy required.	Requirements for participation.--Transportation must be provided for elementary, secondary pupils, and mentally handicapped pupils in accordance with the standards established by the Commissioner of Motor Vehicles. Extent of participation.--168 school districts, Elementary and Secondary (in town), 53 High School (out-of-town), and 5 regional high schools.

CONNECTICUT

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support o the calculated State program allowanc**
STATE AID FOR DISADVANTAGED CHILDREN FUND (Sec. 10-266a, 1965 Session, G.A.) (Est.) $ 6,175,000 (4.5%)		
(Biennial Appropriation of $10,000,000)	A ratio representing the number of families with incomes of less than $4,000, per annum, in a town, to the total number of such families in the State and the ratio of the number of children in the community receiving aid to dependent children to the total number of such children in the State.	State share.--100 percent of calculated amount. Local share.--No specific levy is requir
SPECIAL EDUCATION FUND (Sec. 10-75, General Statutes) $ 4,500,000 (3.4%)		
	Each qualified town is allowed two-thirds of the cost for the approved program for physically handicapped not to exceed $200 for each such pupil educated in the town and $300 for each such pupil educated in another town. For mentally handicapped and emotionally maladjusted children, the allowance is one and a half times the per pupil amount received from the Per Pupil Aid Fund. Since these children are also included in the Per Pupil Aid Fund, the total aid for such pupils is 2.5 times the amount for other pupils.	State share.--100 percent of approved amount. Local share.--No specific levy required.
VOCATIONAL SCHOOL AND VOCATIONAL AGRICULTURE CENTER TRANSPORTATION FUND (Sec. 10-97, General Statutes) $ 299,895 (.2%)		
	Towns which transport students to a State-approved vocational agriculture training center are reimbursed for a portion of such expenditure. Towns providing transportation for vocational school students receive half of the amount expended up to $200 per pupil.	Local share.--No specific levy required.
VOCATIONAL EDUCATION AND INDUSTRIAL ARTS FUND (Sec. 10-96, General Statutes) $ 375,000 (.3%)		
	Funds used to reimburse towns for program costs as determined and approved by the State Board of Education.	Local share.--No specific local levy required.

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for the public schools and for program participation

ate funds for school support, t allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Est.) $ 6,175,000 (4.5%)		
epresenting the number of vith incomes of less than er annum, in a town, to the ber of such families in the the ratio of the number of in the community receiving aid ent children to the total such children in the State.	State share.--100 percent of calculated amount. Local share.--No specific levy is required.	Requirements for participation.--Any town with children restricted by economic, social, or environmental disadvantages. Extent of participation.-- 120 districts.
$ 4,500,000 (3.4%)		
ified town is allowed two-thirds st for the approved program cally handicapped not to exceed each such pupil educated in the $300 for each such pupil edu- another town. For mentally ed and emotionally maladjusted the allowance is one and a s the per pupil amount received Per Pupil Aid Fund. Since ldren are also included in the Aid Fund, the total aid for ls is 2.5 times the amount for ils.	State share.--100 percent of approved amount. Local share.--No specific levy required.	Requirements for participation.--Towns must maintain or provide for programs to eligible students. Programs might be approved by State Board of Education. Extent of participation.--Programs for physically handicapped, 149 districts; programs for mentally handicapped, 159 districts; and programs for emotionally maladjusted, 78 districts.
299,895 (.2%)		
ch transport students to a roved vocational agriculture center are reimbursed for a f such expenditure. Towns transportation for vocational udents receive half of the pended up to $200 per pupil.	Local share.--No specific levy required.	Requirements for participation.--Towns in which there is no vocational school must provide transportation for pupils attending such school in another town. Extent of participation.--165 towns.
$ 375,000 (.3%)		
d to reimburse towns for pro- s as determined and approved ate Board of Education.	Local share.--No specific local levy required.	Requirements for participation.--Towns must maintain programs which meet standards prescribed by the State Board of Education. Extent of participation.--45 towns. Distribution.--Payments made in July for previous year.

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for suppo the calculated State program allo
STATE AID FOR OCCUPATIONAL TRAINING FUND (Sec. 10-266f, 1965 Session, G.A.)	(Est.) $ 300,000 (.2%)	
(Biennial Appropriation of $800,000)	Grant not to exceed $50,000 for personnel, counseling, and equipment to establish occupational training programs.	State share.--Amount of grant.
DRIVER EDUCATION GRANT FUND (Secs. 10-23, 10-24, and 10-24a, General Statutes)	$1,040,000 (.8%)	
	Funds are distributed at the rate of $20 for each pupil that has completed the classroom phase of the approved motor vehicle operation course.	Local share.--No specific local lev required.
ADULT EDUCATION FUND (Secs. 10-52, 10-67, 10-69, 10-70, and 10-72. General Statutes)	$ 250,000 (.2%)	
	Towns providing such instruction receive half the amount expended for a supervisor of adult education, not to exceed $2,500 a year, and 12 cents per student clock-hour of instruction.	Local share.--No specific local le required.
PUPILS RESIDING ON TAX-EXEMPT STATE PROPERTY FUND (Sec. 10-266, General Statutes)	$ 250,000 (.2%)	
	A town receives the amount by which the current expenses per pupil exceed the amount of the other State grants per pupil, including pro rata share of payments on the principal and interest of school building bonds.	Local share.--No specific local lev required.

PUBLIC SCHOOL FINANCE PROGRAM

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ds for the public schools and for program participation

State funds for school support, rict allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
(Est.) $ 300,000 (.2%)		
not to exceed $50,000 for person- ounseling, and equipment to ish occupational training programs.	State share.--Amount of grant.	Requirements for participation.--Any town may participate. Extent of participation.--None.
$1,040,000 (.8%)		
are distributed at the rate of each pupil that has completed ssroom phase of the approved vehicle operation course.	Local share.--No specific local levy required.	Requirements for participation.--A town or school district must provide a course of study in motor vehicle operation in accordance with State requirements. Extent of participation.-- 99 districts. Distribution.--Annually in June.
$ 250,000 (.2%)		
providing such instruction receive e amount expended for a super- f adult education, not to exceed a year, and 12 cents per student our of instruction.	Local share.--No specific local levy required.	Requirements for participation.--Towns must maintain an adult education program in accordance with State requirements. Extent of participation.--71 towns.
$ 250,000 (.2%)		
receives the amount by which the expenses per pupil exceed the of the other State grants per including pro rata share of pay- n the principal and interest of building bonds.	Local share.--No specific local levy required.	Requirements for participation.--Town must have a State institution located within the district and have pupils living on State tax-exempt property and attending the public schools. Extent of participation.--17 districts.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

<table>
<tr><th>Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support o the calculated State program allowanc</th></tr>
<tr><td>SCHOOL LIBRARY GRANT FUND
(Sec. 10-267, General Statutes) $ 172,400 (.1%)

Districts are reimbursed half of the amount expended for reference or supplemental books not to exceed $150 for each school. Textbooks are not included.</td><td>Local share.--No specific local levy is required.</td></tr>
<tr><td>VOCATIONAL AGRICULTURE TUITION
(Sec. 10-65) $ 430,000 (.3%)

Boards of Education maintain high school grades.</td><td>Local share.--No specific levy is requi</td></tr>
<tr><td>STATE LOAN FUND
(Secs. 10-358 through 10-368, General Statutes) $2,300,000

Appropriated to aid residents who are attending or plan to attend college in this State or elsewhere by lending funds or guaranteeing the loan of funds. $1,500 for each year to a total of $7,50 may be borrowed. The repayment schedule is:

<table>
<tr><th>Amount</th><th>Years</th></tr>
<tr><td>$1,500 or less</td><td>4</td></tr>
<tr><td>$1,501 - $2,000</td><td>5</td></tr>
<tr><td>$2,001 - $3,000</td><td>6</td></tr>
<tr><td>$3,001 - $5,000</td><td>8</td></tr>
<tr><td>$5,001 and up</td><td>10</td></tr>
</table>

Upon satisfactory completion of the college program the Foundation will pay 10 percent of the total borrowed for tuition and academic fees and 20 percent more if justified by need.</td><td></td></tr>
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unds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 172,400 (.1%)		
ricts are reimbursed half of the nt expended for reference or supple-al books not to exceed $150 for each ol. Textbooks are not included.	**Local share**.--No specific local levy is required.	**Requirements for participation**.--All districts which purchase library books may participate. **Extent of participation**.--177 districts. **Distribution**.--Grants paid on or before January 1 of each year.
$ 430,000 (.3%)		
is of Education maintain high school es.	**Local share**.--No specific levy is required.	**Requirements for participation**.--One-half tuition is paid by State. **Extent of participation**.--57 districts.
$2,300,000		
opriated to aid residents who are nding or plan to attend college in State or elsewhere by lending funds aranteeing the loan of funds. 00 for each year to a total of $7,50 be borrowed. The repayment schedule nount — Years 00 or less — 4 01 - $2,000 — 5 01 - $3,000 — 6 01 - $5,000 — 8 01 and up — 10 satisfactory completion of the col- program the Foundation will pay rcent of the total borrowed for on and academic fees and 20 percent if justified by need.		

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Assessed valuations are established by local assessors who are elected by the people, or in some instances, appointed by municipal authorities. County commissioners or similar officials do not have authority to change assessments, but the State Tax Commissioner does have the authority to adjust local assessments in order to equalize them on a statewide basis if, in his opinion, such adjustment and correction are necessary for any purposes for which such equalized lists are required by law to be used. This authority is not exercised because no law requires the use of an equalized list.

Intermediate districts.--None.

Local districts.--Approximately 97 percent of local school funds come from the general property taxes levied by towns and cities on local assessed valuations. There is no specified limit to the tax rate which may be levied for general fund purposes. The electorate must approve the levy. No nonproperty taxes are levied specifically for schools.

Provisions for School Indebtedness

Initiating bond issues.--All bonds are issued by the town government.

Limitations on issuance of bonds.--Only serial bonds issued for refunding and to finance capital outlay can be issued. The maximum time limit for payment is 20 years.

Limitations on debt.--In 1963 the legislature enacted new debt limitations. The new limits for schools of cities and towns and regional school districts are based upon the annual tax receipts averaged for last 3 fiscal years multiplied by the following fixed factors (Sections 7-374b and 10-57, General Statutes):

Schools of Cities and Towns
    2.25 x average tax receipts

Regional School Districts
    2.25 x average tax receipts
    Plus 3.50 x average tax receipts less the aggregate
        indebtedness of the municipalities comprising
        the regional school district.

Voting requirements.--Bond issues must be approved by a majority vote.

Approval and sale of bonds.--No further approval is required by other agencies. Bonds are sold on a fixed interest rather than "yield" basis. It is not necessary that bonds first be offered to a State agency for purchase, and no State assistance is provided in selling the bonds. Funds from the sale of bonds may be invested if their immediate use is not required.

Bond records, tax levies, and payments.--When bonds have been issued, the necessary funds must be included in the town budget; but this item is not a part of the budget of the board of education. This is due to the fact that the issuance of bonds and their retirement is handled by the town government rather than the board of education. The first selectman is responsible for maintaining bond records and for the payment of the bonds.

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own budget; but this item is not a part
This is due to the fact that the
handled by the town government rather
electman is responsible for maintaining
onds.

Short-term indebtedness.--Boards of education may not borrow funds for any purpose. Connecticut schools are fiscally dependent. The budget of the board of education is an integral part of the total town budget. If during the year it is necessary to borrow funds to finance the appropriations, the financial authorities of the town can borrow the necessary funds. Provision for the retirement of such borrowing must be made in the tax levied for the next fiscal year. The amount of indebtedness incurred in anticipation of taxes is not included in computing the town's aggregate indebtedness. A regional school district may borrow up to $100,000 for a period of 5 years for acquiring lands, securing services of architects and professional consultants, operating and maintaining a regional school, installing equipment, and other necessary expenses.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms are prescribed by the State Tax Commissioner for towns having a board of finance established under the General Statutes. The school fiscal year of the State is July 1 to June 30. This coincides with the State's fiscal year. Many of the towns and, therefore, the schools have a different fiscal year.

Local approval.--A public hearing must be held 2 weeks before the annual town meeting at which the school budget is considered. After the public hearing, the school budget must be published in a newspaper of the town or one that circulates in the town. Budgets must be submitted to the board of finance, board of selectmen, or other local finance body for approval. The town officials may reduce the budgets submitted by the school superintendent or school board. A public hearing in the form of a town meeting or city council may decrease the budget but may not increase it. The date by which the budget must be acted on varies with the local schools.

State review or approval.--School budgets are not subject to review by any State official.

Provisions for School Audits

Biennial school audits are required of all districts. Such audits are made either by the State Tax Commissioner or by an independent public accountant under his supervision. Copies of all town audits must be filed with the State Tax Commissioner.

The cost of these audits is paid by the town except that towns having average annual receipts from property taxation of $75,000 or less during the 3 years preceding may request the State Tax Commissioner to make the audit. In such cases, the cost is shared equally by the State Tax Commissioner and the town. Any town whose average annual receipts from property taxation during the 3 preceding years are between $75,000 and $200,000 may also request the State Tax Commissioner to audit the books, but the cost is borne by the municipality.

DELAWARE

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

DELAWARE PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Roger C. Mowrey, Acting Assistant Superintendent, Administrative Services, State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 82 percent of the non-Federal income for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. About 0.5 of 1 percent of the State support money is from the earned income of permanent school endowments. The remainder is provided by legislative appropriation.
3. About 82 percent of the State public school support program is distributed through the Current Expenditure and Minor Capital Outlay Fund. The major portion of this fund is allocated for teachers' salaries.
4. The State salary schedule for instructional staff members provides $5,600 per year for beginning teachers with a bachelor's degree and 10 one-year increments of $200 each to a maximum salary of $7,600 per year. Teachers with a master's degree, or equivalent training, start at $6,400 per annum and progress to $8,400.
5. Other State salary schedules provide for administrative supplements and salaries for non-instructional school employees, such as clerks, secretaries, nurses, custodians, and school lunch employees.
6. Two other State grant programs provide support for school construction and pupil transportation. However, only the school construction portion is actually distributed since the State Board of Education arranges transportation services and uses transportation support money to make direct payment for these services.

LOCAL SUPPORT

1. Property taxes account for approximately 80 percent of the local tax receipts for school support.
2. Nonproperty taxes authorized for school support include a capitation tax which ranges from $2 to $18 per capita in the separate school districts which levy this tax. There is no required local capitation tax levy and this tax is not used in all districts.
3. There is no required local tax rate which school districts must levy in order to participate in the basic State support school program. However, local districts are required to pay 40 percent of the total cost of construction of school facilities as determined by the General Assembly.
4. There is no limitation set for the tax rate which local districts levy if approved at a popular election. This applies to both property and capitation taxes.
5. Except for the city of Wilmington, school bonds may be issued for up to 10 percent of the local assessed valuation of taxable property. Wilmington is limited to 2 percent of the local assessed valuation upon approval by the city council.
6. Both property and capitation taxes may be used for debt service.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for s the cal culated State program
Total - - - - - - - - - - - - - - - -	$76,965,113	(100.0%)	
CURRENT EXPENDITURE AND MINOR CAPITAL OUTLAY FUND (grades 1-12) (Title 14, Chapters 13 & 17, School Laws of Delaware.)	$63,406,913	(82.4%)	

Instructional staff salaries, regular........................ Scheduled amount per teacher:

Level of preparation	Teacher Experience		
	Beginner amount	Maximum amount	Years to reach maximum
No degree	$5,200	$7,200	10
B.A. or B.S.	5,600	7,600	10
M.A. or M.S.	6,400	8,400	10
Master's, plus 30 hrs.	7,000	9,000	10
Doctorate	7,400	9,400	10

State share--100 percent of cal
amount.

Local share--None. Federal fun
874 are not used to establish o
amount of State aid.

Teachers employed on extended term............... 10 percent additional for each extra month

Administration and supervision, salaries .... Scheduled amount per position.

Clerks, nurses, custodians, and school-lunch employees......... Allowance as per appropriate separate salary schedule.

School costs other than debt service and transportation..... Amount per pupil unit based upon enrollment, September 30.

Elementary grades...........	1 unit each 25 pupils, grades 1-6.
Secondary grades............	1 unit each 20 pupils, grades 7-12.
Mentally handicapped........	1 unit each 15 such pupils.
Trainable mentally handicapped....................	1 unit each 6 such pupils.
Partially sighted...........	1 unit each 10 such pupils.
Partially blind.............	1 unit each 8 such pupils.
Partially deaf..............	1 unit each 8 such pupils.
Homebound...................	Cost paid by State.
Operating expense...........	$900 per pupil unit of 20 or 25 pupils.
Minor capital outlay, including library books.........	$100 per pupil unit of 20 or 25 pupils.

SCHOOL CONSTRUCTION FUND (School Construction Act of 1968.)	$ 10,643,200	(13.8%)

School Construction........... Cost of construction of approved projects.

State share--60 percent of proj

Local share--40 percent of proj

PUBLIC SCHOOL FINANCE PROGRAM

9
e Funds for the public schools and for program participation

<table>
<tr><th>nt of State funds for school support,
district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
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0 per pupil unit of 20 or 25 pupils.

0 per pupil unit of 20 or 25 pupils.
$ 10,643,200 (13.8%)</td>
<td>State share--100 percent of calculated amount.

Local share--None. Federal funds for P.L. 874 are not used to establish or reduce the amount of State aid.</td>
<td>Requirements for participation--No separate requirements.

Extent of participation--All 51 school districts in the State.

Distributed--Quarterly allotments.</td></tr>
<tr><td>t of construction of approved projects.</td><td>State share--60 percent of project cost.

Local share--40 percent of project cost.</td><td>Requirements for participation--Obtain State Board of Education approval of plans and provide local share of project cost.</td></tr>
</table>

68

DELAWARE

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
School Construction --continued	
TRANSPORTATION FUND $ 2,915,000 (3.8%) (Title 14, Ch. 29, secs. 2901-2904, Ch. 31, secs. 3102-3104, Delaware Code Annotated, Revised 1956.)	
Transportation................. Cost of pupil transportation.	State share--100 percent of contractual obligation. Local share--None.

69--continued

Funds for the public schools and for program participation

nt of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 2,915,000 (3.8%) 31, ,		Extent of participation--Each school district in a construction program. Distributed--When bonds are sold for the local share of construction.
t of pupil transportation.	State share--100 percent of contractual obligation. Local share--None.	Requirements for participation--None. State sets up rules and directly operates this program. Extent of participation--All districts. Distributed--State pays appropriate costs according to contracts executed by the Transportation Division with the contractors.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Assessed valuations for tax purposes are established by the county board of assessment which is appointed by the levy court of the county and are not supervised by State officials. No State authority can change local assessments to equalize them on a statewide basis, nor establish assessment ratios in the school districts. In general, the taxing authority of local school boards is independent of other local governmental authorities.

Intermediate districts.--None.

Local districts.--School district funds are derived from both a property tax on local assessed valuations, a capitation tax, and, to a small extent, a trailer tax. Districts may, upon a referendum, raise any amount for current expense. For current expense, the rate and purpose for which the funds are to be used must be specified. When a district, through referendum, approves issuing bonds for capital outlay, the same vote authorizes the district to levy taxes, either property or capitation tax or both, sufficient to meet the cost of debt service.

Provisions for School Indebtedness

Initiating bond issues.--School districts are authorized to issue bonds for capital outlay.

Limitations on issuance of bonds.--Only serial bonds may be issued. The maximum time for which bonds may be issued is 25 years.

Limitations on debt.--As provided in the statutes, the maximum amount of school bonds which may be issued by any district is limited to 10 percent of the local assessed valuation, except in Wilmington, where bonds may be issued up to 1 percent of the valuation per year with a maximum of 2 percent with the approval of the city council. There is no provision for exceeding these limits.

Voting requirements.--All bonds and debts, except in the case of Wilmington, must be approved by a majority of the qualified electors eligible to vote in a general election.

Approval and sale of bonds.--State board approves building program and date for holding referendum. This gives the district authority to issue the bonds if approved. Prior to any election for the approval of a proposed issue of school bonds, the proposal must be submitted to the State Board of Education for approval, except in the case of Wilmington, where the city council approves and issues the bonds for school construction. School bonds are sold on a yield basis and it is not necessary to offer them first to any State agency. The State assists with the sale of school bonds. There are no funds from bonds that are not immediately used for school capital outlay. Hence there is no provision for investment of such funds.

Bond records, tax levies, and payments.--Taxes are required to be levied in the amounts necessary to retire legally authorized bond issues and are over and above any which may be voted or approved for the current program. The State Treasurer maintains the bond records and bills local school districts for the payment of principal and interest on school bonds.

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Provisions for Scho

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no provision for investment of such funds.

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bonds.

Short-term indebtedness.--Local boards of education may, after a favorable referendum, issue and sell notes in anticipation of the issuance of the building bonds.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms for all districts are prescribed and provided by the State Budget Director, but only for the purpose of making reports to the Governor for his recommendations for the annual school appropriation. The fiscal year begins on July 1 and ends on June 30.

Local approval.--Estimates on which school budgets are based are prepared by local school officials. Approval of the budget by the local board of education must be obtained before October 15 in order that the Budget Director may make its appropriation recommendations. It is not necessary for the county or a local nonschool agency to act on the budget. There is no requirement for the publishing or posting of school budgets.

State review or approval.--The local budget for State funds, in reality these are only requests for State appropriations and do not include local funds, is submitted to the Legislature for all districts except those with fewer than four teachers for which the State Board of Education prepares the request and transmits it to the Budget Director. These budgets become official only when and as included in the legislative appropriations. The total authorized by the Legislature may not be exceeded and must be used for purposes stated in the appropriation act. There are no reviews by State authorities on the use of local funds after these funds are approved by the voters of the districts except by State auditors; however, they must be used as approved by the referendum.

Provisions for School Audits

Annual audits are required of all schools as soon as possible after July 1. These audits are made by the State Auditor who is responsible for auditing the funds of each school district. In the city of Wilmington, however, audits are made by an independent auditing agency and are paid for by the city.

DISTRICT OF COLUMBIA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

DISTRICT OF COLUMBIA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. Boise L. Bristor, Statistical Analyst, Department of General Research, Budget, and Legislation, Public Schools of the District of Columbia, served as the District authority for preparation and review of this leaflet.

Selected Program Facts

1. **The District of Columbia Board of Education is an autonomous board in all matters except those of a fiscal nature.**

2. The annual budget for the District schools is prepared by the Board of Education and submitted to the Mayor-Commissioner of the District of Columbia. Upon approval by the Commissioner, it becomes a part of the District of Columbia budget, which, in turn, becomes a part of the President's budget. The fiscal year is the same as that for the Federal Government. Appropriations and budgets are approved for the year which begins on July 1 and ends on June 30.

3. The budget as prepared by the Board of Education is subject to review and change by the Mayor-Commissioner of the District of Columbia, the United States Bureau of the Budget, and the House and Senate Appropriations Committees of Congress.

4. Of the $150,655,900 reported school appropriation in the District for the 1968-69 school year, 85.1 percent, or $128,238,302, is regarded as coming from local sources and the remaining 14.9 percent, or $22,417,598, is regarded as coming from Federal sources. (Figures estimated.)

5. Local funds for school and other local purposes are derived from general property, personal property, income, sales, and use taxes.

6. Property valuations for taxation purposes are determined by the Assessor of the District of Columbia who is an appointed official. Assessment procedures are not supervised by other District officials, nor do other District officials have the authority to change the assessments.

7. Public Law 85-451, dated June 6, 1958, amended by P.L. 88-104, dated August 27, 1963, permits the District of Columbia to borrow from the U.S. Treasury to assist in financing the cost of constructing facilities. The total amount of loans pursuant to this law cannot exceed $175 million. School facilities are included in the act, but a specific limitation for that purpose is not imposed.

8. All expenditures for the District schools are made through the Accounting Officer and the Disbursing Officer of the District of Columbia. All vouchers are audited, in addition, by the General Accounting Office.

FLORIDA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

FLORIDA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Herman O. Myers, Assistant Superintendent, School Finance, Florida State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Funds for State grants to school districts are provided mainly by legislative appropriation, but approximately 8 percent is obtained from earmarked taxes and less than 1 percent is from permanent school endowments.

2. About 78 percent of the State funds apportioned for the public schools, grades K-JC, is distributed under the provisions of the State Foundation Program Fund, and 5 percent is distributed through the County School Sales Tax Trust Fund.

3. Allowances in the foundation program include amounts for salaries of certificated personnel, pupil transportation, other current expenses, education improvement expense, and capital outlay and debt service. County School Sales Tax Trust Fund distributions are for the purpose of providing necessary funds for meeting retirement matching requirements.

4. Foundation program salary allowances for instructional personnel in kindergarten and grades 1-12 are based on instruction unit salary values which provide allotments ranging from $2,800 to $7,700, depending on the years of college credit, contractual status, and years of Florida teaching service. The unit salary value of a beginning teacher with a bachelor's degree is $5,300. Other K-12 foundation program allowances include funds for transportation unit; $1,050 per instruction unit for other current expenses; $1,720 per unit for education improvement expense; and $400 per instruction unit for capital outlay and debt service; Junior College Foundation Program instruction unit values for instructional salaries range from $3,900 to $6,700 based on college preparation, experience, and contractual status. Other Junior College Foundation Program allowances include $1,250 per transportation unit, $1,550 per instruction unit for other current expense, $400 per instruction unit for capital outlay and debt service, and $17,500 for administrative expense of the first approved junior college

LOCAL SUPPORT

1. Local revenue for school support is derived almost totally from property taxes. There are no local nonproperty taxes levied specifically for the schools. All school districts in the State are countywide.

2. County boards of education must levy at least a 3-mill tax on the local assessed valuation of property for the support and maintenance of schools and are authorized to levy a maximum of 10 mills without a vote of the people. In addition, the electorate may vote to increase the levy by another 10 mills. Twenty mills is the Constitutional maximum school millage that may be levied for operation and maintenance; however, by statute each county participating in the State Foundation Program is limited to a 10-mill levy for operation and maintenance, exclusive of the millage required for junior college minimum effort and millage necessary to replace any decrease from the previous years Federal Impact funds.

3. The amount of school revenue to be provided by each county for grades 1-12 is determined by multiplying the county's index of taxpaying ability by 95 percent of the calculated yield of a 3-mill levy on the aggregate non-exempt assessed valuation of the State. Districts operating kindergartens add 5 percent to the local required effort for grades 1-12 or $3,000 per kindergarten unit approved, whichever is less. The amount to be provided by each district that participates in the support of a junior college is determined by multiplying the county's index of taxpaying ability by 5 percent of 95 percent of the calculated yield of a 6-mill levy on the nonexempt assessed valuation of the State.

4. The Constitution prohibits school districts from issuing school bonds in excess of 20 percent of the assessed valuation. State Board of Education regulations further limit the amount to 10 percent, except under specific State Board approval.

PUBLIC SCHOOL FINANCE PROGRAM

Selected Program Facts

STATE SUPPORT--continued

5. continued--

   center in each county.

6. Although included in the foundation program, amounts for capital outlay and debt service are separately provided for by an earmarked tax. Four other State funds, which account for over 9 percent of the total State distribution also provide assistance for school facilities.

LOCAL SUPPORT--contin

5. Tax levies for debt service are in addition
   for current school expenditures, but are lim
   regulations to 6 mills except with specific

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ed for by an earmarked tax. Four
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or school facilities.

LOCAL SUPPORT--continued

5. Tax levies for debt service are in addition to the Constitutional maximum for current school expenditures, but are limited by State Board of Education regulations to 6 mills except with specific board approval.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for the calculated State program
Total	$703,821,302	(100.0%)	
STATE MINIMUM FOUNDATION PROGRAM FUND (Current expenses, grades K-12) (Secs. 236.01 to 236.13 Florida Statutes first established in 1947. Capital Outlay and debt service portion separately provided by constitutional amendment Art. XII, Sec. 18, which guarantees support for these purposes through 1999 by dedicating the first proceeds of automobile tag registrations.)	$486,042,010	(69.1%)	

Instruction units..............	The division for the ADA of first-grade pupils is two less than the division for the ADA of pupils in grades 2-12 in all schools with an ADA of 90 or more pupils the preceding year.	
Large schools..................	One unit for each 27 pupils in school with 300 or more pupils in ADA during the preceding year.	
Small schools..................	The number of pupils per instruction unit is decreased to as low as 17 for isolated schools of fewer than 60 ADA during the preceding year.	
Teachers of exceptional children, kindergarten children, and vocational and adult education............	Additional units allowed.	
Teacher services personnel, and supervisors................	Additional units allowed.	
Instructional salaries..........	Scheduled amount per instruction unit:	

College preparation (Degree or years of college)	Amount
Doctor's	$7,700
Post-Master's or 6th yr. post-master's level study in approved program at approved university	7,000
Master's	6,300
Bachelor's	5,300
3-3.9 years	3,000
2-2.9 years	2,800

Additional $400 for each instruction unit sustained by a certificated degree teacher who holds a continuing contract; another $400 is added for each such teacher who has completed 7 years' teaching service in Florida public schools; another $400 is added for each such teacher who has completed 10 years' service in Florida public schools;

State share.--Calculated amou
cal share. If local revenue
the calculated local share, S
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Local share.--The combined lo
current expenses for grades 1
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the preceding calendar year.
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by the county index of taxpay
If a county is operating kind
under the foundation program
county effort for grades 1-12
by 5 percent or $3,000 per ki
unit approved, whichever is
index is based on sales tax
ber of gainfully employed wo
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railroad and telegraph prope
bile tag registration, and v
products.

FLORIDA

PPORT, 1968-69

State funds for the public schools and for program participation

percent of State funds for school support, ion of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . . . .	$703,821,302 (100.0%)		
-12) tatutes l Out- rately nt s support y dedicat- le tag re-	$486,042,010 (69.1%)		
... The division for the ADA of first-grade pupils is two less than the division for the ADA of pupils in grades 2-12 in all schools with an ADA of 90 or more pupils the preceding year. ... One unit for each 27 pupils in school with 300 or more pupils in ADA during the preceding year. ... The number of pupils per instruction unit is decreased to as low as 17 for isolated schools of fewer than 60 ADA during the preceding year. ... Additional units allowed. ... Additional units allowed. ... Scheduled amount per instruction unit: College preparation (Degree or years of college) — Amount Doctor's — $7,700 Post-Master's or 6th yr. post-master's level study in approved program at approved university — 7,000 Master's — 6,300 Bachelor's — 5,300 3-3.9 years — 3,000 2-2.9 years — 2,800 Additional $400 for each instruction unit sustained by a certificated degree teacher who holds a continuing contract; another $400 is added for each such teacher who has completed 7 years' teaching service in Florida public schools; another $400 is added for each such teacher who has completed 10 years' service in Florida public schools;		State share.--Calculated amount minus local share. If local revenue is less than the calculated local share, State support is reduced by a similar percent. Local share.--The combined local share of current expenses for grades 1-12 for all districts is the calculated yield of 3 mills of tax on 95 percent of the nonexempt assessed valuation of the State for the preceding calendar year. The county's share of this obligation is then determined by multiplying the calculated amount by the county index of taxpaying ability. If a county is operating kindergartens under the foundation program, the required county effort for grades 1-12 is increased by 5 percent or $3,000 per kindergarten unit approved, whichever is less. This index is based on sales tax returns, number of gainfully employed workers, excluding government and farm workers, value of railroad and telegraph property, automobile tag registration, and value of farm products.	Requirements for participation.--Districts must be properly organized and comply with State requirements. Each certificated degree teacher must be paid 90 percent of appropriate scheduled amount or $5,300, whichever is greater, and the total amount paid instructional personnel and must be at least equal to the amount allotted for salaries. Extent of participation.--All 67 school districts. All districts are countywide. Distributed.--In 12 equal monthly payments; except recalculation funds which are distributed 35 percent in January, 3 percent in February, and the balance in March.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
STATE MINIMUM FOUNDATION PROGRAM--continued		
Instructional salaries--continued	and another $600 is added for each teacher who has completed 15 years' service in Florida public schools.	
Salary supplement...............	Twenty percent increase in scheduled amount for supervisors, special teacher services personnel, vocational teachers and adult. Education teachers employed for the 2- month period beyond the 10 months required for all instructional personnel.	
Pupil transportation............	Regular pupils--An allowance determined by the density index of the county: For each pupil in ADA transported at public expense the preceding year, from $10 to $20 per pupil; and for adjusted one-way miles in the morning traveled by school transportation vehicles operated at public expense, from $61.20 to $43.20 per mile. Exceptional children--$1,250 for each vehicle used exclusively for transporting 10 or more such children in ADA with proportionate allowance for fewer than 10 but not less than 4 pupils. Vocational-technical center--$1,250 for each 30 pupils in ADA transported with proportionate allowance for fewer than 30 pupils for pupils assigned primarily to the vocational-technical center. For pupils enrolled primarily in a basic education center who are also in attendance at a vocational-technical center and transported to or from that center: 20 cents per mile traveled between the 2 schools for each 50 such pupils in ADA transported with a proportionate amount for fewer than 50 pupils.	
Current expense other than salaries and transportation.....	$1,050 per instruction unit for which $100 must be used to purchase instructional materials.	
Education improvement expense...	$1,720 per instruction unit which must be used based on an approved plan for improving educational program in which staff development must be given highest priority.	

PUBLIC SCHOOL FINANCE PROGRAM

-continued

or the public schools and for program participation

ate funds for school support, t allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
r $600 is added for each no has completed 15 years' ser- lorida public schools.		
rcent increase in scheduled supervisors, special teacher personnel, vocational teachers . Education teachers employed 2- month period beyond the 10 quired for all instructional .		
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l-technical center-- r each 30 pupils in ADA trans- th proportionate allowance for n 30 pupils for pupils assigned to the vocational-technical For pupils enrolled primarily c education center who are also ance at a vocational-technical d transported to or from that 20 cents per mile traveled be- 2 schools for each 50 such ADA transported with a propor- mount for fewer than 50 pupils		
r instruction unit for which be used to purchase instruc- terials.		
r instruction unit which must based on an approved plan for educational program in which elopment must be given highest .		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for suppor the calculated State program allo
STATE MINIMUM FOUNDATION PROGRAM--continued		
Increased attendance........... (Recalculation funds)	Foundation program allowance may be increased according to the percentage increase in ADA above 1 percent for the first 2 months of school over the ADA for the same period the previous year. The local absorption will be 0 percent by 1969-70.	
Pupils enrolled in State university laboratory schools...	Each State university which operates a laboratory school as part of its teacher preparation program receives all State funds per pupil as is computed for the county in which the university is located. Payments are made directly to the university and are in lieu of payments of State funds to the county board for the operation of such school.	
Public school services for pupils enrolled in nonprofit private schools................	Pupils enrolled in private schools may not be concurrently enrolled in a public school (so-called shared time or dual enrollment) and so are not counted in determining the amount of State aid for which a district may qualify under this apportionment.	
STATE JUNIOR COLLEGE MINIMUM FOUNDATION PROGRAM FUND (Current expenses, Junior College) (Secs. 230.0111 - 230.0117, Florida Statutes.)	$64,878,772 (9.2%)	
(Capital outlay and debt service portion separately provided by constitutional amendment Art. XII, Sec. 18, which guarantees support for these purposes through 1999 by dedicating the first proceeds of automobile tag registrations)		State share.--Calculated amount minu share. Districts that fail to make nancial effort required are ineligib participate. Local share.--5 percent of 95 percen calculated yield of a statewide 6-mi on the taxable assessed valuation o State multiplied by the county inde paying ability. Except no county o of counties supporting junior colleg required to make a financial effort than 50 percent of the total cost o the junior college.
Instruction units..............	Academic programs--One unit for each 12 students in ADA for the first 420 equivalent full-time students and an additional unit for each additional 15 students in ADA.	

FLORIDA

)68-69--continued

unds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
d dation program allowance may be in- sed according to the percentage in- se in ADA above 1 percent for the t 2 months of school over the ADA the same period the previous year. local absorption will be 0 percent 969-70. State university which operates a ratory school as part of its teacher aration program receives all State s per pupil as is computed for the ty in which the university is lo- d. Payments are made directly to university and are in lieu of pay- s of State funds to the county board the operation of such school. ls enrolled in private schools may be concurrently enrolled in a public ol (so-called shared time or dual llment) and so are not counted in ermining the amount of State aid for h a district may qualify under this ortionment. $64,878,772 (9.2%)		
demic programs--One unit for each 12 dents in ADA for the first 420 equi- ent full-time students and an addi- al unit for each additional 15 stu- s in ADA.	State share.--Calculated amount minus local share. Districts that fail to make the financial effort required are ineligible to participate. Local share.--5 percent of 95 percent of the calculated yield of a statewide 6-mill levy on the taxable assessed valuation of the State multiplied by the county index of taxpaying ability. Except no county or group of counties supporting junior college can be required to make a financial effort of more than 50 percent of the total cost of MFP for the junior college.	Requirements for participation.--Junior college districts must be properly organized, after specific legislative authorization and approval of State board, and comply with State requirements. Extent of participation.--27 junior college districts. A junior college district is a county or a group of contiguous counties approved by the State board as a junior college area and specifically authorized by the legislature. Distributed.--In 12 equal monthly payments; except recalculation funds which are distributed in 6 equal monthly payments beginning January 1 each year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
STATE JUNIOR COLLEGE MINIMUM FOUNDATION PROGRAM FUND--continued			
	Occupational programs--One unit for each 10 students in ADA in occupational programs.		
Administrative and special instructional services unit......	One unit for each 8 instruction units.		
Student personnel services unit..	One unit for each 20 instruction units.		
Instructional salaries..........	Scheduled amount per instruction unit: College preparation (Degree or years of college) — Amount Doctorate — $6,700 Master's degree — 6,100 Bachelor's degree — 5,700 3-3.9 years — 3,900 In addition, $300 per instruction unit sustained by a certificated degree teacher employed under a continuing contract and another $300 for each such teacher who has completed 10 years teaching service in Florida public schools.		
Salary supplement................	The amount included for salaries during the regular term is increased by 3½ percent, for administrative and special instructional service personnel and persons employed for student personnel services beyond the regular term.		
Current expense other than salaries and pupil transportation and administrative expense.......	$1,550 per junior college instruction unit, plus $17,500 for administrative expenses of the first approved junior college center in each county, and $10,000 for each additional approved center.		
Pupil transportation............	$1,250 per each transportation unit, one unit allowed for each 30 junior college students in ADA transported at public expense the preceding year.		
Increased attendance (recalculation funds)	Foundation program allowance may be increased by the percentage increase in ADA in the first 2 months of the school year over the ADA for the same period of the previous year.		
	Staff and program development--The total amount included for salaries is increased by 3 percent to provide for staff and program development.		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support the calculated State program allowa
COUNTY SCHOOL SALES TAX TRUST FUND (Sec. 236.075 Florida Statutes)	$ 35,273,500 (5.0%)	
For the purpose of providing the funds necessary to meet the required payments to the retirement systems, grades K-12 and Junior College................	$500 per instruction unit, allowance for increased ADA in grades K-12 (recalculation funds) is made using the same percentage factor established for the State Foundation Program Fund, grades K-12.	State share.--100 percent of calculat amount. Local share.--None.
JUNIOR COLLEGE CONSTRUCTION FUND (Art. XII, Sec. 19, Florida Constitution and implementing legislation each biennium authorizing projects.)	$ 25,367,635 (3.6%)	
	The amount for each project is established by the State Legislature, with requested amounts established so as to provide 148 gross square feet of space for each equivalent full-time student up to 2,000 ADA with 104 gross square feet for each additional full-time pupil.	State share.--100 percent of approved amount. State amounts are derived f utilities gross receipts taxes, and proceeds from bonds pledging such fu for debt service on the bonds. Local share.--None.
STATE TEXTBOOK FUND (Sec. 233.01-233.50, Florida Statutes)	$ 9,601,281 (1.4%)	
Textbooks, grades 1-12.........	Amount per pupil enrolled.	State share.--100 percent of calcula amount. Local share.--None.

UPPORT, 1968-69--continued FLORIDA

of State funds for the public schools and for program participation

d percent of State funds for school support, tion of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ND) $ 35,273,500 (5.0%)		
g the tire- nd ... $500 per instruction unit, allowance for increased ADA in grades K-12 (recalculation funds) is made using the same percentage factor established for the State Foundation Program Fund, grades K-12.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Each county or district must earn instruction units under the State Foundation Program. If the county board or junior college district board of trustees fails to make the required payments to the teachers' retirement system and to the State and county officers and employees' retirement system the State comptroller is required to deduct the amount owed and remit it to the appropriate retirement system for the credit of the county or junior college. Extent of participation.--All 67 school districts and 27 junior college districts, with separate distributions for the K-12 program and the junior college program. Distributed.--In equal monthly payments, except for recalculation funds for K-12 program which are distributed 35 percent in January, 35 percent in February and the balance in March.
D stitution ch biennium $ 25,367,635 (3.6%)		
The amount for each project is established by the State Legislature, with requested amounts established so as to provide 148 gross square feet of space for each equivalent full-time student up to 2,000 ADA with 104 gross square feet for each additional full-time pupil.	State share.--100 percent of approved amount. State amounts are derived from utilities gross receipts taxes, and the proceeds from bonds pledging such funds for debt service on the bonds. Local share.--None.	Requirements for participation.--A survey supervised by the State Department of Education must establish the need for facilities. A project description must be submitted for review which conforms to the survey and requirements of law. Extent of participation.--27 junior college districts are scheduled for participation. Distributed.--Officially committed funds are transmitted when needed to meet construction expenditures.
$ 9,601,281 (1.4%)		
.... Amount per pupil enrolled.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--File required reports annually and submit necessary requisitions. Extent of participation.--All 67 school districts. Distributed.--As orders are received. State places purchase order.

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requ dis
RACING COMMISSION FUND (Sec. 550.14, Florida Statutes and Special or Local Acts of the Legislature.)	$ 10,400,000 (1.5%)		
Teachers' salaries or pupil transportation expense unless earmarked by special or local act	Equal amount to each county. The amount for each county school board must be earmarked by local or special law or allocated by resolution of the board of county commissioners.	State share.--100 percent of calculated amount. Amount indicated is the portion which is estimated will be used for public schools of an estimated $21,800,000 distributed through this fund. Local share.-- None.	Requ must by l to t allo coun Exte tric
COUNTY SCHOOL ADDITIONAL CAPITAL OUTLAY TRUST FUND (Sec. 236.074, Florida Statutes)	$ 33,004,900 (4.7%)		Dist June
Capital outlay, grades 1-12.........	$800 per pupil for increased ADA in grades 1-12 for the last completed school year over the next previous year.	State share.--100 percent of calculated amount. Local share.--District must provide an amount equal to 25 percent of the amount it seeks to obtain from the State.	Requ must tion must the than lay for room Exte tric
PUBLIC SCHOOL DRIVER EDUCATION FUND (Sec. 233.063, Florida Statutes)	$ 1,924,478 (0.3%)		Dist are tal
	Up to $700 per driver education unit earned for current expense, and an amount for teachers' salaries equal to the unit value in the foundation program according to the State salary allotment or salary actually paid, whichever is less. One driver education unit is allowed for courses for each 125 pupils provided a minimum of 30 hours of classroom instruction and an average minimum of 6 hours' actual driving experience.	State share.--100 percent of calculated amount if funds allow, or pro rata share of available funds. Local share.--Balance of cost not covered by reimbursement.	Requ sch ins tio stu mus reg Ext dis Dis as mit

the public schools and for program participation

funds for school support, llowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 10,400,000 (1.5%)		
to each county. The amount nty school board must be ear- cal or special law or allo- olution of the board of ssioners.	State share.--100 percent of calculated amount. Amount indicated is the portion which is estimated will be used for public schools of an estimated $21,800,000 distributed through this fund. Local share.-- None.	Requirements for participation.--Funds must be earmarked from this distribution by local or special law for distribution to the board of public instruction or allocated by resolution of the board of county commissioners. Extent of participation.--60 school districts. Distributed monthly, November through June.
$ 33,004,900 (4.7%)		
l for increased ADA in for the last completed ver the next previous year.	State share.--100 percent of calculated amount. Local share.--District must provide an amount equal to 25 percent of the amount it seeks to obtain from the State.	Requirements for participation.--District must create a separate "School Construction Fund." Money placed in this fund must be equal to 25 percent of the amount the district obtains, from sources other than the foundation program, capital outlay apportionment. These funds are solely for construction or reconstruction; classrooms have first priority. Extent of participation.--48 school districts. Distributed.--Officially committed funds are transmitted when needed, to meet capital outlay expenditures.
$ 1,924,478 (0.3%)		
er driver education unit urrent expense, and an eachers' salaries equal to ue in the foundation program the State salary allotment tually paid, whichever is river education unit is al- urses for each 125 pupils inimum of 30 hours of class- tion and an average minimum actual driving experience.	State share.--100 percent of calculated amount if funds allow, or pro rata share of available funds. Local share.--Balance of cost not covered by reimbursement.	Requirements for participation.--Secondary schools must provide a course of study and instruction in the safe and lawful operation of a motor vehicle. The course of study and the employment of instructors must be administered in accordance with regulations of the State board of education. Extent of participation.--All 67 school districts. Distributed.--After close of the semester as soon as final reports have been submitted and approved.

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for supp the calculated State program all
VOCATIONAL-TECHNICAL CENTER CONSTRUCTION FUND (Art. XII, Sec. 19, Florida Constitution and implementing legislation each biennium authorizing projects.) $ 3,968,406 (0.6%)	
The amount for each project is established by the State Legislature, with requested amounts for the 1967-69 biennium based on $1,920 per student station	State share.--100 percent approve State amounts are derived from Uti Gross Receipts taxes, and the proc bonds pledging such funds for debt on the bonds. Local share.--None.
STATE PERMANENT SCHOOL FUND (Art. XII, Secs. 4, 5, and 7, Florida Constitution.) $ 1,300,000 (0.2%)	
Amount per pupil (K-12) in Average Daily Attendance in preceding year.	State share.--100 percent. Althou tributed to counties as a part of Minimum Foundation Program Fund, t is the interest earned on investme the principal of the State School
VOCATIONAL-TECHNICAL AND ADULT EDUCATION SPECIAL POST-SECONDARY FUND (Sec. 282.93 (8), Florida Statutes) $ 1,218,000 (0.2%)	Local share.--None.
Based on a plan of operation and a detailed program budget approved by the State Board for Vocational Education. Amount requested by the county board to provide identified unmet needs.	State share.--100 percent of appro amount. Local share.--None.

FLORIDA

8-69 --continued

nds for the public schools and for program participation

of State funds for school support, trict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 3,968,406 (0.6%)		
mount for each project is estab- d by the State Legislature, with sted amounts for the 1967-69 bie based on $1,920 per student station	State share.--100 percent approved amount. State amounts are derived from Utilities Gross Receipts taxes, and the proceeds from bonds pledging such funds for debt service on the bonds. Local share.--None.	Requirements for participation.--A county board or county boards of contiguous counties must have State board approval to organize, establish, and operate an area vocational-technical center. A survey supervised by the State Department of Education must establish the need for facilities. A project description must be submitted for review which conforms to the survey and requirements of law. Extent of participation.--22 school districts scheduled for participation. Distributed.--Officially committed funds are transmitted when needed to meet capital outlay expenditure.
$ 1,300,000 (0.2%)		
t per pupil (K-12) in Average Daily dance in preceding year.	State share.--100 percent. Although distributed to counties as a part of State Minimum Foundation Program Fund, this fund is the interest earned on investments of the principal of the State School Fund. Local share.--None.	Requirements for participation.--Districts must operate public schools. Extent of participation.--All 67 districts. Distributed.--As a part of State Minimum Foundation Program by a warrant drawn on this Trust Fund once annually (March distribution.)
$ 1,218,000 (0.2%)		
on a plan of operation and a de- d program budget approved by the Board for Vocational Education. t requested by the county board to e identified unmet needs.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--County must operate a vocational-technical or adult education program in an area vocational-technical center or an approved post-secondary center and have a plan of operation approved by the State Board for Vocational Education. Extent of participation.--22 school districts. Distributed.--Annually, upon approval of plan by State Board for Vocational Education.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and ex district participation for distributing S
EXCEPTIONAL CHILD EDUCATION EQUIPMENT FUND (Sec. 282.93 (11)(b)(3), Florida Statutes)	$ 1,517,320 (0.2%)		
	$750 per approved exceptional child unit however, each county will be apportioned at least $1,000.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for partici must have approved exce under the State Minimum Funds must be used excl outlay expenditures for equipment necessary for enrolled in the special Extent of participation districts. Distributed.--On a reim items included in a pro by State Superintendent
EXCEPTIONAL CHILD EDUCATION FACILITIES FUND (Sec. 282.93 (11)(2), Florida Statutes)	$ 2,500,000 (0.3%)		
	Allocate to selected counties on the basis of program need as established in accordance with criteria approved by the State Board.	State share.--100 percent of approved amount. Local share.--None.	Requirements for partic have approved exception the State Minimum Found must be used for constr classrooms and related ties must meet all requ regulation relating to and application for fun by State Board. Extent of participation expected to participate Distributed.--Annually, application by State Bo
COUNTY CAPITAL OUTLAY AND DEBT SERVICE SCHOOL FUND (Co. & D.S., K-12 and Junior College) (Art. XII, Sec. 18, Constitution of the State of Florida, except for recalculation amount which is authorized by Sec. 236.03, Florida Statutes.)	$26,825,000 (3.8%)		Requirements for partic tion units under the fo tricts may request the bonds on behalf of the be paid from anticipate extent that annual prin ments equal 75 percent
	$400 per instruction unit, allowance for increased ADA (recalculation funds) in grades K-12 are determined by employing the same percentage factor established for State Minimum Foundation Program Fund, grades K-12.	State share.--Although included in the State Foundation Program Fund, funds for capital outlay and debt service are separately provided from Motor Vehicle License Funds (by Constitutional Amendment), except for the recalculation amount which is from the State General Revenue Fund. The State pays the full amount of the calculated allowance. Local share.--None.	Extent of participation tricts and 27 junior c Distributed.--In Septem for recalculation funds which are distributed

ued

public schools and for program participation

ds for school support, ances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
1,517,320 (0.2%)		
exceptional child unit nty will be apportioned	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--County must have approved exceptional child units under the State Minimum Foundation Program. Funds must be used exclusively for capital outlay expenditures for the specialized equipment necessary for exceptional children enrolled in the special education program. Extent of participation.--All 67 school districts. Distributed.--On a reimbursement basis for items included in a project plan approved by State Superintendent.
2,500,000 (0.3%)		
ted counties on the need as established h criteria approved by	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--County must have approved exceptional child units under the State Minimum Foundation Program. Funds must be used for construction of specialized classrooms and related facilities. Facilities must meet all requirements of law and regulation relating to school construction and application for funds must be approved by State Board. Extent of participation.--15 counties are expected to participate. Distributed.--Annually, upon approval of application by State Board.
6,825,000 (3.8%)		
on unit, allowance for alculation funds) in termined by employing e factor established Foundation Program	State share.--Although included in the State Foundation Program Fund, funds for capital outlay and debt service are separately provided from Motor Vehicle License Funds (by Constitutional Amendment), except for the recalculation amount which is from the State General Revenue Fund. The State pays the full amount of the calculated allowance. Local share.--None.	Requirements for participation.--Earn instruction units under the foundation program. Districts may request the State Board to issue bonds on behalf of the county with amounts to be paid from anticipated State payments to the extent that annual principal and interest payments equal 75 percent of the county allowance. Extent of participation.--All 67 school districts and 27 junior college districts. Distributed.--In September and March, except for recalculation funds for K-12 program which are distributed in March.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Assessed valuations are established by county assessors who are elected by popular vote. Counties have their own equalization boards with authority to change assessments on appeal. The State Comptroller examines assessments for disparities or errors. State law requires all county tax assessors to assess all property in such a manner as to secure a just valuation and establish factors which are to be considered in reaching such valuation. County tax assessors are required to prepare assessment rolls based on 100 percent valuation.

Local districts.--The county board of public instruction must, in accordance with the Constitution, levy a minimum of 3 mills on the non-exempt assessed valuation for support and maintenance and is authorized to levy a maximum of 10 mills without vote of the people. The levy is usually made for general purposes, but in some counties a part is earmarked for capital outlay purposes for which a maximum of 2 mills may be set aside as a special reserve.

The qualified electors of the countywide district in each county, who pay a tax on real or personal property, vote biennially to determine the district current millage of a maximum of 10 mills on the non-exempt assessed valuation for support and maintenance of schools, which augments the county revenue described above. A maximum of 4 mills of the possible 10 may, by vote, be set aside in a special reserve fund for capital outlay. Local districts have no nonproperty taxes.

District levies for debt service created by bond issues are unlimited by law and are set by the county board according to need under the advisory supervision of the State Superintendent. State Board regulations initially limit such levies to 6 mills except with specific board approval.

Effective July 1, 1968, any county board desiring to participate in the K-12 Minimum Foundation Program is by Statute limited to a tax levy of 10 mills for county and district current millage combined, exclusive of district millage voted for capital outlay purposes, millage for required debt service, millage required for junior college minimum effort and millage to the extent necessary to replace any decrease from the previous year in funds from P.L. 874 (Federal Impact funds).

All but two of the county school boards, where approval of a budget commission is required by special legislative act, are virtually independent fiscally. Approximately 15 percent of the enrollment of the State is in these fiscally dependent districts.

Provisions for School Indebtedness

Initiating bond issues.--The proposal for issuing bonds is initiated by a petition signed by not less than 25 percent of duly qualified electors. This petition may be waived in county of 25,000 population or more, whereupon the county board of public instruction, or the trustees, or both bodies may initiate the proposal for issuing bonds.

Limitation on issuance of bonds.--Serial bonds are required and they must be retired over a maximum of 20 years unless a longer period is specifically approved by the State Board of Education.

Limitations on debt.--
in amounts which, together
ceed 20 percent of the non-
State Board of Education re
ness to 10 percent of the n
approval of the State Board

Voting requirements.-
election. A proposed bond
ified electors who are free
ballots cast are in favor o

Approval and sale of
by the State Department of
debt limit will not be exce
properly prepared. Annual
imately equal. The distric
proposed project and cannot
bond issue must be approve
before the county board app
for the bond issue.

State Department of E
is provided on request. Bo
a fixed interest basis is
State agency. If the inter
callable after 10 years.
use is not immediately requ

Bond records, tax lev
school district bond recor
required to certify to the
to retire the bonds.

Levies for debt servi
limit on the non-exempt ass
school expenditures and mus
service. The millage levy
exceed 6 mills except with

Short-term indebtedne
percent of the revenue anti
interest not exceeding 6 pe
same fiscal year. If at an
cannot be repaid during the
the amount budgeted, such
next year.

Loans for capital ou
only; however, any such ob
consent of the lender for
on such loans may not excee
by the State Board of Educa

Limitations on debt.--The Constitution permits the issuance of school bonds in amounts which, together with existing school-bonded indebtedness, do not exceed 20 percent of the non-exempt assessed valuation of the district. However, State Board of Education regulations limit the amount of school-bonded indebtedness to 10 percent of the non-exempt assessed valuation, except with specific approval of the State Board.

Voting requirements.--Proposed bond issues must be approved in a special election. A proposed bond issue is approved only when (a) a majority of all qualified electors who are freeholders cast a ballot, and (b) when a majority of the ballots cast are in favor of the issue.

Approval and sale of bonds.--All applications for bond issues are checked by the State Department of Education prior to the bond sale to assure that the debt limit will not be exceeded and that the schedule of maturities has been properly prepared. Annual payments required for all indebtedness must be approximately equal. The district must show that the amount proposed is needed for the proposed project and cannot be provided in any other manner. The proposal for a bond issue must be approved by the State Superintendent of Public Instruction before the county board approves any petition of the special tax school district for the bond issue.

State Department of Education advisory assistance with school bond sales is provided on request. Bonds are frequently sold on a yield basis, although a fixed interest basis is permitted by law. They need not be offered to a State agency. If the interest exceeds 2.99 percent, bonds are required to be callable after 10 years. Proceeds from bond sales may be invested when their use is not immediately required.

Bond records, tax levies, and payments.--The local school board keeps all school district bond records; is responsible for repayment of the bonds; and is required to certify to the board of county commissioners the necessary levies to retire the bonds.

Levies for debt service are in addition to the 20-mill constitutional limit on the non-exempt assessed valuation of taxable property for current school expenditures and must be of sufficient amount to cover the cost for debt service. The millage levy required to service all outstanding bonds may not exceed 6 mills except with specific approval of the State Board of Education.

Short-term indebtedness.--By statute, county boards may borrow up to 80 percent of the revenue anticipated from county or district taxes at a rate of interest not exceeding 6 percent per annum as a current loan repayable in the same fiscal year. If at any time any current indebtedness is incurred which cannot be repaid during the year because anticipated revenues are less than the amount budgeted, such indebtedness becomes a prior claim to funds for the next year.

Loans for capital outlay purposes may be incurred for a period of 1 year only; however, any such obligation may be extended from year to year with the consent of the lender for a period not to exceed 4 years. The rate of interest on such loans may not exceed 6 percent per annum. Such loans must be approved by the State Board of Education and may not exceed 25 percent of local tax

Provisions for School Budgets --continued

revenues received in the previous year. The State Board, by law, cannot approve more than two such loans for any county during any one year. Funds required for payment of such obligations maturing during the year are required by law to be budgeted from current revenue during the period of the loan.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms for all school systems are prescribed by the State Board of Education and provided by the State. Counties may, however, use any supplementary forms they find desirable. The school fiscal year in all local school systems covers the period from July 1 through June 30.

Local approval.--School budgets are prepared by the county superintendent and submitted to the local board on or before July 15. Before final approval can be made, the county board must have a summary of the tentatively approved budget and the proposed millage levies advertised. The advertisement of the budget must include the date, before August 1, on which a public hearing will be held concerning the tentatively approved budget. Junior college budgets are prepared by the junior college presidents and recommended to the district boards of trustees. Upon approval of a budget by the board of trustees, the budget is submitted to a budget review board composed of 5 members of the board (s) of public instruction of the counties participating in the support of a junior college. Budgets are submitted to the State Superintendent by August 1. If the budget review board disapproves the budget, however, the due date is extended to August 10. In 2 of the 67 counties, approval of a county budget commission is required by local legislative action, but this is not necessary in the other counties. Tax levies for school purposes, as certified by the county school boards, must be made by the board of county commissioners provided they are within constitutional limits. In counties having a county budget commission, this body determines the tax levies for school purposes which will be certified to the board of county commissioners.

State review or approval.--On or before August 1 of each year, each county's annual school budget is required by law to be submitted to the State Superintendent of Public Instruction for review. The State Board of Education prescribes all necessary regulations to guide the State Superintendent in examining budgets submitted by the county boards. The State Superintendent has authority to require budgets to be revised only when they have not been correctly prepared; that is, when the proper form has not been used, the estimates are incorrect, budgets

out of balance, proposed expenditures are i
are not adequate to assure the proper maint
schools as prescribed by law.

If the tax levy proposed is not adequa
lic Instruction certifies the levy which is
not exceed 10 mills which is the maximum au
county tax levy, to the county board.

The county board must amend its propos
to be made in accordance with the direction
State Superintendent may recommend addition
authority to require such changes except wh
from State sources are concerned. Severe p
county board officials who authorize expend
in the official budget.

Provisions for School Audits

School audits for all local school sys
of the fiscal year, by the Legislative Audi
the local school systems for making these
is submitted to the Governor, the Legislat
Superintendent of Public Instruction the co
the State Comptroller, and the State Superi
illegal expenditure or expenditures in exce
budget found as a result of an audit, must
State Comptroller, and the Legislative Aud
ials are subject to removal from office by
law and are personally liable for any amour

Board, by law, cannot approve
one year. Funds required for
r are required by law to be
the loan.

tems are prescribed by the State
ties may, however, use any sup-
fiscal year in all local school
30.

the county superintendent and
Before final approval can be
tentatively approved budget and
tisement of the budget must in-
hearing will be held concern-
ge budgets are prepared by the
istrict boards of trustees. Upon
budget is submitted to a budget
) of public instruction of the
college. Budgets are submitted
dget review board disapproves
gust 10. In 2 of the 67 coun-
quired by local legislative
ties. Tax levies for school
, must be made by the board
nstitutional limits. In
dy determines the tax levies
board of county commissioners.

l of each year, each county's
itted to the State Superinten-
oard of Education prescribes
ntendent in examining budgets
endent has authority to re-
been correctly prepared; that
imates are incorrect, budgets

out of balance, proposed expenditures are illegal, or when tax levies proposed are not adequate to assure the proper maintenance and support of the public schools as prescribed by law.

If the tax levy proposed is not adequate, the State Superintendent of Public Instruction certifies the levy which is required, provided such levy does not exceed 10 mills which is the maximum authorized by the Constitution for the county tax levy, to the county board.

The county board must amend its proposed budget and require the proper levy to be made in accordance with the direction of the State Superintendent. The State Superintendent may recommend additional changes in budgets, but has no authority to require such changes except where expenditures of funds received from State sources are concerned. Severe penalties are prescribed for the county board officials who authorize expenditures exceeding the appropriations in the official budget.

Provisions for School Audits

School audits for all local school systems are made annually after the close of the fiscal year, by the Legislative Auditor. There is no charge made against the local school systems for making these audits. A copy of the audit report is submitted to the Governor, the Legislative Auditing Committee, the County Superintendent of Public Instruction the county board of public instruction, the State Comptroller, and the State Superintendent of Public Instruction. Any illegal expenditure or expenditures in excess of appropriations in the official budget found as a result of an audit, must be reported to the Governor, the State Comptroller, and the Legislative Auditing Committee. Local school officials are subject to removal from office by the Governor for violation of the law and are personally liable for any amounts improperly expended.

GEORGIA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

GEORGIA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Oscar H. Joiner, Director, Financial Services, Georgia State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 67 percent of the nonfederal revenue for public elementary and secondary schools is provided by the State.
2. All of the State support for public education is derived from legislative appropriation. There are no State taxes earmarked for the schools and there is no permanent endowment fund income.
3. Eighty-nine percent of the State grants for public schools is allocated for foundation program support for teachers' salaries, transportation expenses, other current expenses, and instructional materials. Allowances are permitted for adult education, kindergartens, exceptional children, principals, and sick leave. Kindergartens are not included in the present financial structure.
4. Allowances for teachers' salaries range from $5,200 to $7,020 for teachers with a bachelor's degree; from $5,876 to $8,060 for teachers with a master's degree; from $7,098 to $9,100 for teachers with the 6-year certificate; and from $8,268 to $10,140 for teachers with the 7-year certificate.
5. Purposes supported by other State distributions for the public schools include capital outlay and vocational education.

LOCAL SUPPORT

1. Local revenue for school support is derived totally from property taxes.
2. There are no separate nonproperty taxes authorized for local public school support.
3. Required local support for participation in the State foundation program is determined by multiplying the percent that the equalized adjusted school property tax digest of each system is of the total equalized adjusted property tax digest for the State as a whole by that portion of the cost of the State foundation program to be paid by local funds.
4. Each county is required by the Constitution to levy a tax of 5 mills for public school support. A maximum levy of 20 mills may be imposed by action of the county board of education.
5. Tax rates in excess of the limits specified may be levied when voted by popular election
6. School bonds may be issued up to 7 percent of the assessed valuation of taxable property in the district.
7. Taxes for debt service are excluded from levy limitations otherwise specified.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
Total.	$327,846,523 (100.0%)	
FOUNDATION PROGRAM FUND (Current expense and capital outlay, grades 1-12) (Acts 523, Acts of 1964)	$291,766,114 (89.0%)	
Teachers' salaries..............	Scheduled amount per employed teacher allotted: (see schedule below)	State share.--Calculated amount minus loca share.

Teacher Training (64-65 sched.)	Amount with - Minimum experience	Amount with - Maximum experience
Bachelor's degree	$5,200	$7,020
Master's degree	5,876	8,060
6-yr. certificate	7,098	9,100
7-yr. certificate	8,268	10,140

Schedule is adopted by the State Board of Education.

Teacher units	
Elementary, 1-7................	1-teacher unit per each 28 pupils in ADA
Secondary, 8-12................	1-teacher unit per each 25 pupils in ADA
Exceptional teachers...........	Additional teacher units allotted.
Curriculum directors, visiting teachers, principals, librarians, and counselors....	Additional teacher units allotted.
Kindergarten...................	Program permitted but not included in the financial structure.
Pupil transportation............	Standard cost per pupil transported based on number and density of pupils transported, miles traveled, number and type of buses, depreciation schedule, State salary schedule for school-bus drivers, maintenance repair and operating costs, climate and terrain, and road conditions.
Other current expense and sick leave......................	$1,050-- teacher unit allowance is determined by the State Board of Education. Legal minimum is $750 per teacher unit.
Capital outlay..................	Allotment made on increases in ADA, plus an allotment for the school system that desired to consolidate small schools.
Textbook fund	
Elementary, grades 1-7........	$4.00 per pupil enrolled previous year.
Secondary, grades 8-12........	$5.65 per pupil enrolled previous year.

State share.--Calculated amount minus loca share.

Local share.--Statewide 18 percent of the cost of the calculated foundation program amount is to be provided locally. By 1973-74, the amount will be 20 percent. Each county's share of this amount is determine by the percentage of the total State equal ized adjusted school property tax digest i the county. Within counties, 133-1/3 percent of such tax digest is used for independent school systems to pro-rate the separate district requirements. Receipts for P.L. 874, Federal assistance to feder ally affected areas, are not included in the local share requirement.

Also, a share of the cost of statewide school education television service is charged to local districts. The local share is deducted from the State money calculated for the foundation program.

968-69

nds for the public schools and for program participation

<table>
<tr><th>of State funds for school support,
strict allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
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Also, a share of the cost of statewide school education television service is charged to local districts. The local share is deducted from the State money calculated for the foundation program.</td><td>Requirements for participation.--Operate schools 180 days and comply with State salary schedule requirements. Funds provided must be spent for the purposes specified. Transportation must be provided in accordance with regulations.

Extent of participation.--All districts.

Distributed during the school year.</td></tr>
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5 per pupil enrolled previous year.</td><td></td><td>Requirements for participation.--Use books from a multiple State-adopted list; request books as needed; and file required reports on textbooks.

Distribution.--In 2-payments: August and September.</td></tr>
</table>

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support the calculated State program allowan
CAPITAL OUTLAY FUND (Ch. 32-613, Acts of 1949, pp. 677-78; Acts of 1951, pp. 753-54; Acts of 1962, H.B. 1214, Acts of 1964, Act 523.)	$ 28,801,000 (8.8%)	
Capital outlay..................	Cost of needed facilities based on 65 square feet per elementary child in ADA, and 85 square feet per high school child in ADA. Maximum cost allowance is $7.50 per square foot, new building; $.75 per square foot contingencies; $1.50 per square foot of existing facilities for installation cost of lights, water, and heat.	State share.--Calculated amount for ap ed projects minus local share. Local share.--Amount of unused local b ing ability up to 50 percent of its ca ity.
VOCATIONAL EDUCATION FUND (Ch. 32, Secs. 2201-23, and 622-23, Laws of 1933.)	$ 7,279,409 (2.2%)	
Vocational education............	Approved application: Cost of operating two resident-trade schools; amount for supplementing vocational teachers' salaries for home visitation in supervising home projects, and for adult education classes.	State share.--100 percent of allowable amount as fund allows. Federal funds vocational education are in excess of State amount. Local share.--All costs not covered by reimbursement.

GEORGIA

, 1968-69--continued

funds for the public schools and for program participation

ent of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 28,801,000 (8.8%)		
Cost of needed facilities based on 65 square feet per elementary child in ADA, and 85 square feet per high school child in ADA. Maximum cost allowance is $7.50 per square foot, new building; $.75 per square foot contingencies; $1.50 per square foot of existing facilities for installation cost of lights, water, and heat. $ 7,279,409 (2.2%)	State share.--Calculated amount for approved projects minus local share. Local share.--Amount of unused local bonding ability up to 50 percent of its capacity.	Requirements for participation.--Conduct a local survey of school building needs. Projects are restricted and limited to classrooms, sanitary facilities, lunchroom facilities or combination lunchroom and assembly facilities. Construction must meet State standards. Extent of participation.--All districts. Distribution.--Annually.
Approved application: Cost of operating two resident-trade schools; amount for supplementing vocational teachers' salaries for home visitation in supervising home projects, and for adult education classes.	State share.--100 percent of allowable amount as fund allows. Federal funds for vocational education are in excess of the State amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Provide a program which meets standards prescribed by the State vocational education plan. Extent of participation.--90 percent of the districts. Distribution.--Quarterly as reimbursement for local program expenses.

Provisions for Raising School Revenue

Property assessments.--Assessed valuations for county systems are determined by county assessors who are appointed by the county commissioners. For independent city school systems, property is assessed by both county and city assessors; however, the county assessment is used as the basis for computing State aid to city systems. County commissioners or similar officials have no authority to change assessments. There is no plan for applying assessment standards among the counties and no provision for the establishment of assessment ratios although State law requires that property be assessed at 100 percent of fair market value. However, in the implementation of Act 523, 1964, it was learned that in many systems, county and independent, property was being assessed at a very low value. Since the major factor in required local support is an equalized tax digest, over one-half of the districts in the State have had professional tax re-evaluation studies.

Local districts.--The State Constitution requires each county to levy a tax of at least 5 mills on county assessment valuations for the support of schools and permits a maximum levy of 20 mills. Tax rates within these limits are established by the county school board without a vote of the people. The State Supreme Court has ruled that property must be assessed at fair market value. The General Assembly has provided legislation which requires property be assessed at a fair market value in 1967.

Other school funds are authorized for city school systems which operate independently of the counties in which they are located. These city systems are fiscally dependent upon the city council. Tax levies for independent city school systems are authorized by the city charters and generally range from 5 to 20 mills, exclusive of debt service. These city tax limits may be removed by majority vote of the electors at a special election. There is no provision for a school tax levy for the purpose of accumulating a school building or capital outlay fund.

Provisions for School Indebtedness

Initiating bond issues.--Bond issues are initiated by resolution of the county board of education or for dependent school systems by the city council. Bonds may be issued for building and equipping schoolhouses and purchasing school sites.

Limitations on issuance of bonds.--All bonds are required to be serial in nature. They cannot be issued for a period of more than 30 years, and usually do not exceed 20 years.

Limitations on debt.--As provided in the State Constitution, county school boards or city councils may issue bonds for school construction purposes up to 7 percent of the local assessed valuation. No State agency is authorized to fix the debt limit or approve a higher limit in special cases.

Voting requirements.--All bond issues must be approved at a special election by a vote of the majority of the qualified electors participating in the election. There are no property qualifications for participation in a school election.

Approval and sale of bonds.--When bonds have been properly voted and validated, no further local or State approval is required. When bonds are sold, the city or county issuing the bonds fixes the interest rate. This rate is usually set as low as possible for the bonds to sell at par. Funds from the sale of bonds must be kept in a separate account and can be used only for the purpose voted. It is not required that bonds first be offered to a State agency, nor does the State assist with the sale of bonds. F
required may be invested.

Bond records, tax levies, an
levy rates for bonded debt as nec
and interest on bonds. All bond
by the school authorities, who de
of the indebtedness. Bond record
and the council is required to de
Debt service levies are outside t
operation of schools.

Short-term indebtedness.--Bo
funds for the payment of teachers
schools, provided the sum of the
the local revenue of the school s
current year.

B

Provision for School Budgets (Act

Budget forms.--School budget
istration are prescribed and furn
The fiscal year for schools begin

Local approval.--School budg
intendents prior to June 1 for ap
agency is authorized to review or
All city school systems which are
submit their budgets to the city
Budgets must be advertised in the
their adoption.

State review or approval.--A
June 1 to the State Department o
assure that all budgets are prope
of law.

Provisions for School Audits

Annual audits, made by the S
all school districts. Copies of
school authorities. The cost of
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Act 523, 1964 Section 44 pr
shall establish an Audit and Revi
cal system fiscal officers in the
This Section also reviews all bu
compliance with all laws and Stat
cies pertaining to budgets. The
Sections 38 through 45.

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assist with the sale of bonds. Funds from the sale of bonds not immediately required may be invested.

Bond records, tax levies, and payments.--County fiscal authorities must levy rates for bonded debt as necessary to meet current payments of principal and interest on bonds. All bond records for county school systems are kept by the school authorities, who determine the necessary levies for retirement of the indebtedness. Bond records for city systems are kept by the city clerk, and the council is required to determine the necessary levies for city systems. Debt service levies are outside the 20-mill limitation for maintenance and operation of schools.

Short-term indebtedness.--Boards of education are permitted to borrow funds for the payment of teachers' salaries and other operating costs of the schools, provided the sum of the current loan does not exceed 75 percent of the local revenue of the school system. All loans must be repaid within the current year.

BUDGETS AND AUDITS

Provision for School Budgets (Act 523, 1964)

Budget forms.--School budget forms for all local school units of administration are prescribed and furnished by the State Department of Education. The fiscal year for schools begins on July 1 and ends on June 30.

Local approval.--School budgets are prepared by the county and city superintendents prior to June 1 for approval by their boards. No other county agency is authorized to review or approve the budgets of county school systems. All city school systems which are not fiscally independent are required to submit their budgets to the city council or city commission for approval. Budgets must be advertised in the official organ of the district prior to their adoption.

State review or approval.--All local school budgets are submitted by June 1 to the State Department of Education for review and approval and to assure that all budgets are properly prepared in accordance with provisions of law.

Provisions for School Audits

Annual audits, made by the State Department of Audits, are required of all school districts. Copies of the audits are furnished State and local school authorities. The cost of these audits is a State expense and is not charged to the local school administrative units.

Act 523, 1964 Section 44 provides that the State Department of Education shall establish an Audit and Review Section for the purpose of assisting local system fiscal officers in the preparation of budgets according to the law. This Section also reviews all budgets for the purpose of ascertaining their compliance with all laws and State Board of Education regulations and policies pertaining to budgets. These functions are authorized by Act 532, 1964 Sections 38 through 45.

HAWAII

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

HAWAII PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Koichi H. Tokushige, Assistant Superintendent, Office of Business Services, Hawaii State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

1. The State of Hawaii has one public school system which is for the entire State. It is administered by the State Superintendent of Education, who is appointed by an elected Board of Education composed of eleven members. Candidates to the Board of Education may run as partisan or non-partisan.

2. All of the money is received directly from appropriations made by the State Legislature with lump-sum and non-lapsing provisions. The primary sources for State General Funds are the State General Excise Tax and State Net Income Tax. Property taxes are not State general fund income, they go to the various counties as their primary source of revenue. Counties do not have any financial responsibilities for the operation of the public school system.

3. Annual budget for the Department of Education is prepared by school, district, and State administrators in a form agreed upon with the State Department of Budget and Finance. Program budgeting is being used at the school, district, and State levels. The fiscal year begins on July 1 and ends on June 30.

4. The annual operating and capital improvement budgets are reviewed by the Board of Education and the Governor's staff. The annual budgets are then presented to the Legislature as part of the Governor's Executive Budget.

5. All expenditures for the public school system are made by the State Comptroller who heads the Department of Accounting and General Service. Vouchers are preaudited by the State Comptroller's staff before warrants are issued.

6. Detail accounting records are maintained by the Business Service Office of the Department of Education.

7. Capital improvement programs are financed by bonds and pay-as-you-go basis.

8. The operating budget for the Department of Education for 1968-69 includes: State funds, $84,805,721; Federal funds, $15,463,778; and Special funds, $8,392,794. These funds total $108,662,293.

   These funds are used to operate the public libraries, as well as our public elementary and secondary schools, adult education, and other special schools, such as the school for deaf and blind. State appropriations for 1968-69 were made on "lump-sum" basis to the Department of Education.
9. The Legislature appropriated $30,332,500 for capital improvement program during the 1968 legislative session; $10,000,000 was from State General Funds, while $18,323,500 was from bonds and $2,009,000 was from Federal funds. However, State General Funds may be used in lieu of bond whenever the State financial picture warrants it.

IDAHO

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

IDAHO PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Garth O. Reid, Deputy State Superintendent of Administrative and Financial Services, Idaho State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT*

1. Approximately 44 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.
2. Income from permanent endowment earnings accounts for about 7 percent of the State grant money. Ninety-two percent is provided through appropriation. A small amount, less than half of 1 percent, is obtained from revenue earmarked for the public schools.
3. State grants for the public schools are determined through the Foundation Education and Transportation Program and the Vocational Education Program. Apportionments are made from the Public School Income Fund and appropriations for vocational education.
4. Foundation education and transportation support account for over 99 percent of the State grants for public school education and provide assistance for teachers' salaries, special education, pupil transportation, and other current expenses.
5. Ninety percent of the difference between the allowable cost of pupil transportation and the yield of a 1-mill levy on the adjusted assessed valuation determines the amount of the transportation assistance. The amount is limited to $10 per month per pupil transported.

LOCAL SUPPORT

1. Property taxes account for about 94 percent of the county and local revenue for school support, exclusive of school lunch receipts.
2. There are no nonproperty taxes authorized specifically for the support of public education. However, some revenue is obtained from court fines, forfeitures, and other sources.
3. A county 8-mill property tax is required to be levied in each of the counties. The required local effort for school districts to participate in the Foundation and Education and Transportation program is 22 mills.
4. Local school districts are required to pay the total cost of pupil transportation up to the amount derived from a 1-mill property tax plus 10 percent of any allowable transportation cost.
5. Local district property taxes are limited to a 30-mill levy for general school purposes in all districts. Additional levies must be approved by two-thirds majority in election by property owners. Districts may also levy a 10-mill tax for a reserve fund for school facilities, including transportation equipment.
6. School district indebtedness may not exceed 15 percent of the assessed valuation of taxable property except elementary districts with a limit of 10 percent.

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* State Support for Retirement, Social Security, and Driver Training is not included.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			**State and local shares for supp the calculated State program all**
Total	$32,961,051	(100.0%)	
FOUNDATION EDUCATION AND TRANSPORTATION PROGRAM (Secs. 33-1001 to 33-1015. Idaho Code of 1965, as amended.) (Current Expense, grades 1-12)	$32,861,051	(99.7%)	State share.--Total distribution f State (District WADA) - D
Program calculation.............	Educational allowance plus transportation allowance equals total State and county support for the Foundation Program. The program is calculated in the following manner: (1) Total Foundation Education portion funds equal the sum of the State equalization levy of 22 mills times the total State adjusted assessed valuation of property, an 8-mill county levy on property, and the State appropriation for this program minus the foundation transportation portion. (2) This sum is then divided by the total weighted State average daily attendance (WADA) to determine the State average cost per student. (3) The State average cost per student is then multiplied by the district WADA to determine the total program costs for each district.		Local share.--The required local e school districts to participate in dation Education and Transportatio is 22 mills. An 8-mill county tax erty is also required but is not c toward the district share.
WADA calculation.................	The Foundation Education Portion of this program provides for weighting average daily attendance by sparsity factors, secondary school cost factors, and for handicapped children. In determining the districts' weighted ADA, a separate attendance unit may be counted for each elementary school located 10 or more miles from another elementary school within the district and a separate secondary school attendance unit may be counted if a secondary school is located 15 or more miles from another secondary school within the district.		

PUBLIC SCHOOL FINANCE PROGRAM

1968-69

funds for the public schools and for program participation

nt of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . $32,961,051 (100.0%)		
$32,861,051 (99.7%) ho	State share.--$\frac{\text{Total distribution funds - transportation portion}}{\text{State total WADA}}$ x (District WADA) - District required levy = State share.	
ducational allowance plus transporta-ion allowance equals total State and ounty support for the Foundation rogram. he program is calculated in the follow-ng manner: (1) Total Foundation Educa-ion portion funds equal the sum of the tate equalization levy of 22 mills imes the total State adjusted assessed aluation of property, an 8-mill county evy on property, and the State appropri-tion for this program minus the founda-ion transportation portion. (2) This um is then divided by the total weight-d State average daily attendance (WADA) o determine the State average cost per tudent. (3) The State average cost per tudent is then multiplied by the dis-rict WADA to determine the total pro-ram costs for each district. he Foundation Education Portion of this rogram provides for weighting average aily attendance by sparsity factors, econdary school cost factors, and for andicapped children. n determining the districts' weighted DA, a separate attendance unit may be ounted for each elementary school lo-ated 10 or more miles from another ele-entary school within the district and a eparate secondary school attendance nit may be counted if a secondary chool is located 15 or more miles from nother secondary school within the dis-rict.	Local share.--The required local effort for school districts to participate in the Foundation Education and Transportation Program is 22 mills. An 8-mill county tax on property is also required but is not counted toward the district share.	Requirements for participation.--Schools must meet State requirements for attendance, length of term, and levy requirements. Counties must levy an 8-mill tax on the adjusted assessed valuation of taxable property for public school support. Extent of participation.--117 school districts. Distribution.--State funds distributed in 5 payments during July, October, January, April, and July.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
FOUNDATION EDUCATION AND TRANSPORTATION PROGRAM--continued		
	Sparsity factors for weighting elementary and secondary ADA are listed below	

Elementary Grades Sparsity Factor

300 and over	ADA	1.00
200 to 299	"	1.10
150 to 199	"	1.15
100 to 149	"	1.20
50 to 99	"	1.25
20 to 49	"	1.25
5 to 19 to count as 25		

Secondary Grades Sparsity Factor

750 and over	ADA	1.00
500 to 749	"	1.10
400 to 499	"	1.20
300 to 399	"	1.25
200 to 299	"	1.40
100 to 199	"	1.50
0 to 99	"	1.70

In addition the ADA of secondary grade pupils is weighted by a factor of .30. Handicapped children are weighted by multiplying 300 percent times the ADA of eligible handicapped pupils.

Transportation allowance.........	Allowable transportation costs minus 1 mill on adjusted annual valuation times 90 percent equals State and county transportation allowance (Not to exceed $10 per month per child transported.)	Local share.--1 mill on adjusted annual valuation, plus 10 percent after millage has been deducted.
VOCATIONAL EDUCATION FUND (Secs. 33-2201 to 33-2207. Idaho Code of 1957 as amended.)	$ 100,000 (0.3%)	
	This fund is used on a reimbursement basis to help districts meet approved expense of their vocational education programs.	Local share.--District and Federal funds are used in addition for the total Vocational Education Program.

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ds for the public schools and for program participation

f State funds for school support, trict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
RAM--continued ity factors for weighting elemen- nd secondary ADA are listed below: lementary Grades Sparsity Factor d over ADA 1.00 o 299 " 1.10 o 199 " 1.15 o 149 " 1.20 o 99 " 1.25 o 49 " 1.25 o 19 nt as 25 condary Grades Sparsity Factor d over ADA 1.00 o 749 " 1.10 o 499 " 1.20 o 399 " 1.25 o 299 " 1.40 o 199 " 1.50 o 99 " 1.70 ition the ADA of secondary grade s is weighted by a factor of .30. capped children are weighted by plying 300 percent times the ADA gible handicapped pupils.		
ble transportation costs minus 1 n adjusted annual valuation times rcent equals State and county trans tion allowance (Not to exceed $10 nth per child transported.) $ 100,000 (0.3%)	Local share.--1 mill on adjusted annual valuation, plus 10 percent after millage has been deducted.	
nd is used on a reimbursement to help districts meet approved e of their vocational education ms.	Local share.--District and Federal funds are used in addition for the total Vocational Education Program.	Requirements for participation.--Districts must maintain vocational departments that meet established standards and observe State regulations and requirements. Extent of participation.--94 school districts. Distribution.--Reimbursement made semiannually.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations for purposes of property tax levies are established by elected county assessors. The 1967 Idaho **Legislature** provided that all property is to be assessed at 20 percent of full cash value by January 1, 1977. Assessments are reviewed by the board of county commissioners acting as the county board of equalization and are subject to review by the State Tax Commission. In addition, this latter body sets valuations for railroads, pipelines, and public utilities for all counties in the State.

Intermediate districts.--A county levy of 8 mills is authorized for general school purposes in each county. This tax is levied by the county board of commissioners without electoral approval and is required for all counties. Some additional revenues are received into the county school fund from court fines, forfeitures, and other sources.

Local districts.--All school districts may levy 30 mills for maintenance and operation by trustees after a budget hearing. Levies in excess of 30 mills must have two-thirds majority of property owners in special election.

The 1953 Legislature enacted the school plant facilities reserve statute, subsequently amended, which makes it possible for a school district board of trustees to propose and submit to a special election of property owners a special tax levy of up to 10 mills for a period of not more than 10 years on the assessed valuation of the district on the basis of one election. The proceeds of the levy are to be placed in the school district school plant facilities reserve fund and are to be used only for the purchase of sites, construction of new buildings, enlargement of existing buildings, building equipment, and school transportation equipment. In order for this election to carry, it must receive two-thirds majority of the votes cast.

Provisions for School Indebtedness

Initiating bond issues.--Proposals to issue bonds to acquire school sites, to build, add to, or repair school buildings, to furnish or equip buildings, or to purchase school buses are initiated and issued by the school board.

Limitations on issuance of bonds.--School bonds may be issued for a period up to 20 years and the interest rate must not exceed 6 percent per annum. The bonds are serial coupon bonds amortized in equal annual installments of interest and principal.

Limitations on debt.--As provided by statute, districts, except elementary school districts, may issue bonds so that the total outstanding amount does not exceed 15 percent of assessed valuation. Elementary school districts may not exceed 10 percent of the assessed valuation.

Voting requirements.--Proposals to issue bonds must be submitted by the board of trustees to the property owners and contract purchasers of the district at a special bond election. The proposals must receive a two-thirds majority of the votes cast if the board of trustees is to be authorized to issue and sell the bonds.

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PUBLIC SCHOOL FINANCE PROGRAM

LOCAL SUPPORT, 1968-69

Raising School Revenue

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School Indebtedness

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uirements.--Proposals to issue bonds must be submitted by the
es to the property owners and contract purchasers of the district
nd election. The proposals must receive a two-thirds majority
st if the board of trustees is to be authorized to issue and sell

Approval and sale of bonds.--Bond issues must have approval of the State Board of Education. The plan and form of amortization of all school bonds issued in the State must have approval of the State Board of Education. All bonds must be offered at a sealed bid sale and must be sold at par or better. Coupon rates may be set in the terms of the bid, but they are usually sold on a yield basis. The State of Idaho, for constitutionally created trust funds, has preferential right to purchase school bonds from the districts. The State does not assist with the sale of bonds. Funds from the sale of bonds, not immediately required, may be invested.

Bond records, tax levies, and payments.--When school bonds have been issued, levies must be made by the district through the county commissioners, as necessary to meet bonds and interest coupons falling due within the year. Tax levies for debt service are over and above those for the current school program. Payment of the bonds is the responsibility of the school district treasurer.

Short-term indebtedness.--Tax anticipation notes may be issued by resolution or registered warrants may be issued up to 95 percent of anticipated revenue.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--By legislative enactment, each school district prepares its own budget on forms prescribed by the State Board of Education. These forms are used for all types of districts and are also used for making annual financial reports. The fiscal school year is from July 1 to June 30.

Local approval.--School districts have full responsibility for preparing budgets within statutory limits. In all school districts not later than 30 days prior to its annual meeting, the Board of Trustees shall have called and caused to be held a public hearing of the budget. The annual meeting of all districts is the date of its regular June meeting. In addition, the Board of Trustees must publish a summary statement of the budget for the ensuing year with corresponding budget items for the current year.

State review or approval.--The State Board of Education has the authority to prescribe forms. Copies of school district budgets must be filed, for all districts, with the State Board of Education. The prescribed date for filing a copy of the budget with the State Board of Education is July 15. The State Board of Education has no statutory authority relative to these budgets, other than to file and audit them.

Provisions for School Audits

A full and complete audit of all of the financial operations of district and student body funds must be made annually (except in elementary districts and the audit must be made at least once every two years) according to specifications of the Bureau of Public Accounts. A report of such audit shall be filed with the clerk of the district, and signed duplicate copies are filed with the Bureau of Public Accounts and with the State Board of Education. The audits shall be made by a public accountant or a certified public accountant.

ILLINOIS

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

ILLINOIS PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. A. R. Evans, Assistant Superintendent, Division of Finance and Statistics, Office of the Superintendent of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 27 percent of the nonfederal revenue for the public schools comes from State appropriations.

2. Except for about .1 of 1 percent of the total amount of State money distributed to the districts for school support, (derived from income earned by permanent school endowments) all State support is provided through legislative appropriation. There are no earmarked State taxes for schools.

3. The Distributive Fund, which includes special equalization aid and general aid, accounts for about 85 percent of the total State monies distributed for the support of public schools. Special equalization aid represents 61.7 percent and general aid, 22.9 percent of State school support funds. Additional expenditures account for the remaining 15 percent.

4. The "Equalization Aid Portion" of the Common School Fund provides a foundation support level of $400 per pupil in average daily attendance. ADA for high school districts only is weighted 1.15.

5. Categorical State grant distributions account for the remaining 28 percent of State support and provide assistance in the following areas: (a) Categorical appropriations to the Office of the Superintendent of Public Instruction-General Office, Driver Training Administration, Civil Defense Education, Teacher Certification, State Plan Title III-NDEA, State Plan Title V-NDEA, Consumer Education, Research Department, Advisory Council to Degree Granting Institutions, School Library Resources, Title III-ESEA, Disadvantaged Program, Title I-ESEA, Handicapped Library Services, School District Reorganization, and Instructional Television, (b) Categorical State distributions through the Office of the Superintendent of Public Instruction include Pupil Transportation, County Board of School Trustees, Driver Education, Adult Education, Special Education of Handicapped Children, Special

LOCAL SUPPORT

1. All local support for the public schools is derived from taxes levied on the locally assessed valuation of taxable property as equalized by State assessment ratios. This ratio is 55 percent of the market value of the taxable property.

2. No nonproperty taxes are authorized to be levied for the support of public elementary or high schools.

3. Required tax rates for participation in the Common School Fund Equalization Aid Portion are 8.4 mills for each participating elementary or high school district and 10.0 mills for each 12-grade districts.

4. Maximum tax rates for elementary and high school district operating expenses are 9.0 mills by backdoor referendum* and 20 mills by vote. *(Sec. 17-2.2 School Code of Illinois) Corresponding limits for 12-grade districts are 16.0 and 40.0 mills.

5. Separate Building Fund tax rates must be authorized for the maintenance and operation of school facilities. The tax limits for elementary and high school district purposes are 2.5 mills by backdoor referendum and 3.75 mills by vote. Corresponding limits for 12-grade districts are 3.75 and 7.5 mills.

6. School district indebtedness for Capital Outlay is limited to 5 percent of the assessed valuation as adjusted by the State assessment ratios. There are certain exceptions when a district meets qualifications of School Building Commission.

7. A school district may levy a separate tax for transportation. A district is limited to .8 mills without vote and 1.5 mills with vote.

8. Districts may levy, with vote, a tax not in excess of 1.5 mills for the purpose of conducting summer school programs.

STATE SUPPORT--continued

5. --continued
Education Facilities, and Gifted Children, and (c) Categorical appropriations - Pupil Transportation (Pekin Municipal Bus System and Chicago Metropolitan Transit authority), certain Teacher Retirement Benefits, Teacher Retirement System, Vocational Education and Rehabilitation, School Building Commission, School Problem Commission, and Superintendent of Public Instruction salary.

LOCAL SUPPORT--continued

9. Districts may levy, without vote, not in excess of .5 mills for a Working Cash Fund.

10. District may levy, without vote, the amount needed for liability insurance and for the Illinois Municipal Retirement Fund.

11. Districts may levy, with vote, the amount needed for the Bond and Interest Fund.

12. Districts may levy, without vote, not in excess of .5 mills to meet State Fire and Safety Code Requirements. Certain qualifications must be met.

13. Districts with Superintendent of Public Instruction approval may, levy without vote, not in excess of .2 mills for 5 years for special education building purposes.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for support of the calculated State program allowance	Requirements district par for dist
Total		$427,542,271	(100.0%)		
COMMON SCHOOL FUND and DISTRIBUTIVE FUND--Equalization Aid Portion (H.B. 1798, 1967)		$263,806,258	(61.7%)		
Current expenses, K-12.......	$400 per pupil in best 6 months' ADA.			**State share**.--$400 foundation level minus local district's qualifying amount. Each district receives a general aid (flat grant) amount. This amount is included in the special equalization received by the district.	**Requirements** tricts with grades 1-8, 9-12, must o the county a of schools t
Public school services for pupils enrolled in nonprofit private schools..............	Pupils enrolled in private schools may be concurrently enrolled in a public school (so-called shared-time or dual enrollment) and so are counted in determining the amount of State aid for which a district may qualify. Nonpublic pupils may be counted in ADA on the basis of 1/6 ADA for each classroom enrolled in public school.			**Local share**.--Elementary and high school districts are required to levy a qualifying rate of 8.4 mills on the full equalized assessed valuation of the districts. This qualifying rate x assessed valuation provides the qualifying amount for the district. Twelve-grade districts have a qualifying rate of 10.0 mills. Local receipts of Federal P.L. 874 funds are not included in this local share of required support.	**Extent of pa** districts. **Distribution**
GENERAL AID PORTION (flat grants) (H.B. 1798, 1967)		$ 97,870,409	(22.9%)		
Current expenses, K-12........	Kindergarten is considered as ½ day in determining the best 6 months of ADA. Elementary pupil, $47; High School pupil, $54.05.			**State share**.--100 percent of calculated amount.	**Requirements** a "recognize
Public school services for pupils enrolled in nonprofit private schools............	Calculation for nonpublic school pupils, same as above.			**Local share**.--None.	**Extent of pa** tricts. **Distribution**
COUNTY SUPERINTENDENT'S SALARIES (Ch. 53, Sec. 45, Ill. Revised Statutes, 1965) (H.B. 1798, 1967)		$ 1,360,000	(.3%)		
	Salary allowance based on county population.			**State share**.--100 percent **Local share**.--None.	**Requirements** shall elect schools. **Extent of pa** **Distribution** ments.

County Population	Salary
9,000 or less	$10,000
9,001 - 16,000	11,250
16,001 - 33,000	12,500
33,001 - 48,000	13,750
48,001 - 70,000	15,000
70,001 - 100,000	16,250
100,001 - 500,000	18,750
Over - 500,000	25,000

8-69

nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . $427,542,271 (100.0%)		
$263,806,258 (61.7%)		
per pupil in best 6 months' ADA. s enrolled in private schools may ncurrently enrolled in a public l (so-called shared-time or dual lment) and so are counted in deter- g the amount of State aid for which trict may qualify. Nonpublic pu- may be counted in ADA on the basis 6 ADA for each classroom enrolled blic school.	State share.--$400 foundation level minus local district's qualifying amount. Each district receives a general aid (flat grant) amount. This amount is included in the special equalization received by the district. Local share.--Elementary and high school districts are required to levy a qualifying rate of 8.4 mills on the full equalized assessed valuation of the districts. This qualifying rate x assessed valuation provides the qualifying amount for the district. Twelve-grade districts have a qualifying rate of 10.0 mills. Local receipts of Federal P.L. 874 funds are not included in this local share of required support.	Requirements for participation.--Districts with an ADA of less than 15 for grades 1-8, and less than 60 for grades 9-12, must obtain special approval of the county and State superintendents of schools to participate. Extent of participation.--965 school districts. Distribution.--Monthly.
$ 97,870,409 (22.9%)		
rgarten is considered as ½ day in mining the best 6 months of ADA. ntary pupil, $47; High School pu- $54.05. lation for nonpublic school pupils, as above.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Operate a "recognized school" and file a claim. Extent of participation.--335 school districts. Distribution.--Monthly.
$ 1,360,000 (.3%)		
y allowance based on county popula- y Population — Salary 00 or less — $10,000 01 - 16,000 — 11,250 01 - 33,000 — 12,500 01 - 48,000 — 13,750 01 - 70,000 — 15,000 01 - 100,000 — 16,250 01 - 500,000 — 18,750 ver - 500,000 — 25,000	State share.--100 percent Local share.--None.	Requirements for participation.--County shall elect a county superintendent for schools. Extent of participation.--102 counties. Distribution.--In 12 equal monthly payments.

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
ASSISTANT COUNTY SUPERINTENDENT SALARIES (Ch. 53, Sec. 45, Ill. Revised Statutes, 1965) (H.B. 1798, 1967)	$1,057,000 (.3%)	
	One assistant county superintendent in all counties of 500,000 or less. No degree - 55 percent of county superintendent salary. Bachelor's degree - 60 percent of county superintendent salary. Master's degree - 75 percent of county superintendent salary. There are three assistant county superintendents in counties having more than 500,000 population (one assistant may receive up to 75 percent of county superintendent salary; other assistants may receive up to 60 percent of county superintendent salary).	State share.--100 percent. Local share.--None.
SUPERVISORY EXPENSE FUND (Act 18, Sec. 18-6, Ill. School Code) (H.B. 1798)	$ 102,000 (-)	
County supervision portion....	$1,000 per county.	State share.--100 percent of calculated amount. Local share.--All additional costs for providing supervisory service.
ORPHANAGES AND CHILDREN'S HOMES (H.B. 1798, 1967)	$1,112,500 (.3%)	
	Number of such pupils in ADA times the per capita cost in the district.	State share.--100 percent of per capita cost. Local share.--None.
STATE-OWNED HOUSING PORTION (H.B. 1798, 1967)	$ 250,000 (.1%)	
	Number of such pupils in ADA X the per per capita cost in the districts.	State share.--100 percent of per capita cost Local share.--None.

PUBLIC SCHOOL FINANCE PROGRAM

inued

public schools and for program participation

nds for school support, wances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$1,057,000 (.3%)		
unty superintendent in 500,000 or less. ercent of county super- . e - 60 percent of county alary. - 75 percent of county alary. assistant county super- unties having more than on (one assistant may percent of county super- other assistants may percent of county super-). $ 102,000 (-)	State share.--100 percent. Local share.--None.	Requirements for participation.--Same as for county superintendents. Extent of participation.--102 counties. Distribution.--In 12 equal monthly payments.
y. $1,112,500 (.3%)	State share.--100 percent of calculated amount. Local share.--All additional costs for providing supervisory service.	Requirements for participation.--County must maintain a county office and provide supervisory service. Extent of participation.--102 counties. Distribution.--Monthly.
pils in ADA times the n the district. $ 250,000 (.1%)	State share.--100 percent of per capita cost. Local share.--None.	Requirements for participation.--District must enroll children from orphanages which accept children from the State in general. Extent of participation.--72 school districts. Distribution.--Semi-annually.
pils in ADA X the per n the districts.	State share.--100 percent of per capita cost Local share.--None.	Requirements for participation.--District must enroll children who reside in State-owned housing located in the district. Extent of participation.--30 school districts. Distribution.--Semi-annually.

ILLINOIS

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requi dist
MILITARY CLAIMS (H.B. 1798, 1967)	$3,625,000 (.9%)		
	Number of such pupils in ADA times the per capita cost in the districts.	State share.--100 percent of calculated amount minus any P.L. 874 monies. Local share.--None.	Requi must owned Exten trict
TAX EQUIVALENT GRANTS (H.B. 1798, 1967)	$ 100,000 (.--)		Distr
State Institutional rebate portion........................	Equalized assessed value of State institutional land except from taxation times local tax rate.	State share.--100 percent of calculated amount. Local share.--None, but amount is based on local tax rate levied.	Requi must which and m Exten
PUPIL TRANSPORTATION FUND (H.B. 909, 1967)	$10,865,000 (2.5%)		Distr
	State reimburses the lesser amount of (1) 50 percent of cost or (2) by the following formula: .10 square miles or less $16 per pupil .10 square miles $20 per pupil .20 square miles to .19 $24 per pupil .30 square miles to .49 $28 per pupil .50 square miles or more $32 per pupil	State share.--100 percent of transportation claim. Local share.--All costs not covered by the claim.	Requi be ce Repor trans tatio may r Exten
COUNTY BOARD OF SCHOOL TRUSTEES (H.B. 909, 1967)	$ 20,400 (--)		Distr schoo
	Actual expenses up to $200 per county (a higher amount may be authorized)	State share.--100 percent of approved amount. Local share.--All expenses not covered by reimbursement.	Requi board pense Exten
DRIVER EDUCATION FUND (H.B. 909, 1967)	$5,750,000 (1.3%)		Distr recei
	Cost of Driver Education program, but not to exceed $40 per pupil.	State share.--100 percent of district claim within the $40 per pupil limit. Local share.--All costs not covered by the State reimbursement.	Requi must which inter Exten trict ing h Distr

te funds for the public schools and for program participation

ent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$3,625,000 (.9%)		
Number of such pupils in ADA times the per capita cost in the districts.	State share.--100 percent of calculated amount minus any P.L. 874 monies. Local share.--None.	Requirements for participation.--District must enroll children who reside in State-owned housing located in the district. Extent of participation.--100 school districts. Distribution.--Semi-annually.
$ 100,000 (.--)		
Equalized assessed value of State institutional land except from taxation times local tax rate.	State share.--100 percent of calculated amount. Local share.--None, but amount is based on local tax rate levied.	Requirements for participation.--District must contain State institutional land which is exempt except from local taxation, and meet other qualifications. Extent of participation.--4 districts. Distribution.--Semi-annually.
$10,865,000 (2.5%)		
State reimburses the lesser amount of (1) 50 percent of cost or (2) by the following formula: 10 square miles or less $16 per pupil 10 square miles $20 per pupil 20 square miles to .19 $24 per pupil 30 square miles to .49 $28 per pupil 50 square miles or more $32 per pupil	State share.--100 percent of transportation claim. Local share.--All costs not covered by the claim.	Requirements for participation.--Buses must be certified; pass all State inspections. Report total enrollment, number of pupils transported, and the cost of pupil transportation. Private and/or parochial pupils may ride. Extent of participation.--1,200 districts Distribution.--In September for previous school year expenses.
$ 20,400 (--)		
ctual expenses up to $200 per county (a higher amount may be authorized)	State share.--100 percent of approved amount. Local share.--All expenses not covered by reimbursement.	Requirements for participation.--County boards of school trustees must report expenses. Extent of participation.--102 counties. Distribution.--As reports of expense are received and approved.
$5,750,000 (1.3%)		
ost of Driver Education program, but ot to exceed $40 per pupil.	State share.--100 percent of district claim within the $40 per pupil limit. Local share.--All costs not covered by the State reimbursement.	Requirements for participation.--District must provide a course of driver education which has been approved by the State Superintendent of Public Instruction. Extent of participation.--591 school districts. This includes all districts operating high schools in the State. Distribution.--Annually as reimbursement.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance
ADULT EDUCATION (H.B. 911, 1967)		$3,289,625 (.8%)	
For public aid recipients	$1,375,000		State share.--100 percent of approved programs.
Administration	$ 188,800		
Adult Education Act 1966	$ 141,575		Local share.--None.
H.S. credit program and Americanization	$1,415,750		
Administration	$ 168,500		
SPECIAL EDUCATION FOR HANDICAPPED CHILDREN (H.B. 2137, 1967)		$19,282,851 (4.5%)	
Reimbursement to school districts	$17,870,467		State share.--100 percent of allowed costs.
1. Teacher's salary-hospital or home instruction	½ of salary, bur not more than $700 per pupil or $4,000 per teacher-lesser amount		Local share.--None.
2. 4/5 of transportation cost			
3. Professional workers other than those in (a), (b), (e), and (f)	$4,000		
4. Special education director (full time)	$5,000		
5. Psychologist	$5,000		
6. Preschool deaf or hard of hearing teacher	$5,000		
7. Readers for blind or partially seeing	½ salary, but not more than $400 per pupil.		
8. Noncertified employees	Lesser amount of ½ salary or $1,500.		
9. Professional assistance to county advisory committees and administration	$557,446		
10. Educational materials coordinating units.	$254,938		
11. Traineeship, fellowship, and contracts with higher education agencies	$600,000		

1968-69 --continued

PUBLIC SCHOOL FINANCE PROGRAM

funds for the public schools and for program participation

nt of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$3,289,625 (.8%)		
,375,000 188,800	State share.--100 percent of approved programs.	Requirements for participation.--District must provide courses which are approved by the State Superintendent of Public Instruction.
141,575	Local share.--None.	
,415,750 168,500		Extent of participation.--140 school districts and/or administrative districts. Some of these districts participate in 1, 2, or 3 of reimbursable adult education programs.
$19,282,851 (4.5%)		Distribution.--Annually as reimbursement for the high school credit program, monthly for the public aid recipient program and adult program, Sec. 13-38 of the School Code.
7,870,467	State share.--100 percent of allowed costs.	Requirements for participation.--District must organize and obtain approval of programs in accordance with standards prescribed by the State Superintendent of Public Instruction. By July 1, 1969, all school districts shall offer programs for handicapped children.
of salary, bur not more than $700 per pil or $4,000 per teacher-lesser amount	Local share.--None.	
,000		Extent of participation.--1,250 school districts.
,000		Distribution.--Annually as reimbursed.
,000		
,000		
salary, but not more than $400 per pil.		
sser amount of ½ salary or $1,500.		
57,446		
54,938		
00,000		

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements fo district parti for distri
SPECIAL EDUCATION FACILITIES (H.B. 1666, 1967)	$1,900,000	(.4%)		
Qualifying building program for Special Education Facilities fund.			State share.--$1,000 for each professional special education employee in the district. Local share.--Revenues from a .2-mill tax effort.	Requirements fo tricts must be a proportionate cation building a .2-mill tax a age of funds. Extent of parti tricts and/or c Distribution.--
GIFTED CHILDREN FUND (H.B. 1705, 1967)	$4,500,000	(1.1%)		
Approved cost of project				
Reimbursement to school districts	$2,550,000		State share.--100 percent of approved amount. Local share.--All costs not covered by the State.	Requirements fo tricts must sub State approval. Extent of parti tricts. Distribution.--
Demonstration center	900,000			
Experimental projects	287,500			
Administration	325,000			
Training	437,500			
PUPIL TRANSPORTATION--Separate Appropriation	$3,695,724	(.9%)		
Pekin Municipal Bus System (S.B. 1209, 1967)	$ 45,724		State share.--100 percent of the appropriations. Local share.--All costs not covered by the State.	Requirements fo must be certifi tions. Report of pupils trans pupil transport Extent of parti districts, Chic Distribution.-- school expenses
Metropolitan Transit Authority (Chicago) (S.B. 469, 1967)	$3,650,000			
VOCATIONAL EDUCATION AND REHABILITATION (H.B. 2295, 1967)	$8,955,004	(2.1%)		
Administration	$ 525,177.00		State share.--Amount shown is for program administration and distribution to pay about 40 percent of the cost of approval programs. Local share.--All costs not covered by reimbursement.	Requirements fo must meet requi State plan for Extent of parti Distribution.-- close of the y been approved.
Manpower program (Admin.)	32,386.50			
Manpower program to schools	250,000.00			
(Vocational program)	7,347,440.50			
Manpower program	800,000.00			

ontinued

the public schools and for program participation

e funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$1,900,000 (.4%)		
uilding program for Special cilities fund. $4,500,000 (1.1%)	State share.--$1,000 for each professional special education employee in the district. Local share.--Revenues from a .2-mill tax effort.	Requirements for participation.--Districts must be obligated to contribute a proportionate share to a special education building program and have levied a .2-mill tax and there remains a shortage of funds. Extent of participation.--100 school districts and/or cooperative districts. Distribution.--Upon approval of program.
$3,695,724 (.9%)	State share.--100 percent of approved amount. Local share.--All costs not covered by the State.	Requirements for participation.--Districts must submit projects and receive State approval. Extent of participation.--500 school districts. Distribution.--Annually
$8,955,004 (2.1%)	State share.--100 percent of the appropriations. Local share.--All costs not covered by the State.	Requirements for participation.--Buses must be certified; pass all State inspections. Report total enrollment, number of pupils transported, and the cost of pupil transportation. Extent of participation.--Pekin, 2 school districts, Chicago, 1 district. Distribution.-- In September for previous school expenses.
0 0 0 0 0	State share.--Amount shown is for program administration and distribution to pay about 40 percent of the cost of approval programs. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Program must meet requirements prescribed by the State plan for vocational education. Extent of participation.--590 school dis- Distribution.--As reimbursement near the close of the year after applications have been approved.

STATE SUPPORT, 1968-69-- continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requi dist
TEACHERS' RETIREMENT (Following funds are not included in final total)		
Chicago Teachers' Retirement..... $13,833.333	State share.--1.2 times the amount withheld and contributed from teachers' salaries. Local share.--None.	Requi time Other inten count super Exten trict
Downstate Teachers' Retirement.. $41,500,000	State share.--Same ratio as in Chicago. Local share.--None.	Requi in Ch Exten distr
CERTAIN TEACHER RETIREMENT BENEFITS $ 378,000 (H.B. 2290, 1967)		
TEACHERS' RETIREMENT SYSTEM $ 1,612,500 (H.B. 2250, 1967)		
OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION General Revenue Fund. $5,421,053 (These are general expenses for administration, supervision, program development, and services to all school districts. Local districts receive benefits in varying amounts.		
General Office expenses (H.B. 1712) $2,928,727		
Driver Training-Administration (H.B. 1712).................... 84,669		
Civil Defense Education (H.B. 1712).................... 31,044		
Teacher Certification (H.B. 1712).................... 251,657		
State Plan--Title III, NDEA (H.B. 1712).................... 371,720		
State Plan--Title V, NDEA (H.B. 1712).................... 200,000		
Consumer Education (S.B. 979) 17,500		
Sex Education (H.B. 912)........ 20,000		
Research Department (H.B. 913).. 112,500		
Advisory Council of Degree Granting Institutions (H.B. 1540).... 7,250		
School Library Resources Administration (Title II, ESEA)...... 250,971		
Disadvantaged program (H.B. 1704) 250,000		
Title III, ESEA Admin. (H.B. 1704) 48,100		
Handicapped Library Services (H.B. 1776).................... 25,000		
School District Reorganization (H.B. 1890).................... 88,415		
Instructional Television (H.B. 2138)..................... 733,500		

968-69-- continued

PUBLIC SCHOOL FINANCE PROGRAM

unds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ds are not included in final total)		
33.333	State share.--1.2 times the amount withheld and contributed from teachers' salaries. Local share.--None.	Requirements for participation.--Full-time certified education personnel. Other personnel, i.e. Office of the Superintendent of Public Instruction executives, county superintendents, assistant county superintendent. Extent of participation.--1 school district.
00,000	State share.--Same ratio as in Chicago. Local share.--None.	Requirements for participation.--Same as in Chicago. Extent of participation.--1,299 school districts.
78,000		
12,500		
TRUCTION		
(These are general expenses for administration, supervision, program development, and services to all school districts. Local districts receive benefits in varying amounts.		
8,727		
4,669		
1,044		
1,657		
1,720		
0,000		
7,500		
0,000		
2,500		
7,250		
0,971		
0,000		
8,100		
5,000		
8,415		
8,500		

ILLINOIS

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requir distr f
(Following funds are not included in final total--continued.)		
SCHOOL BUILDING COMMISSION FUND $11,045,052 (H.B. 2455, 1967) Administration.....$ 45,052 Loan Fund..........$11,000,000	State share.--100 percent of approved amount is provided Local share.--Reimburse 6 percent of loan each year and provide insurance and proper maintenance to building.	Requir must h than $ mentin in the Extent tricts 1968-6 with l Distri is com
SCHOOL PROBLEM COMMISSION $30,000 (H.B. 1225-Administration)..$25,000 (H.B. 1924-Urban Study).....$ 5,000	State share.--100 percent Local share.--None.	Requir quirem Extent Distri
SUPERINTENDENT OF PUBLIC INSTRUCTION SALARY $30,000 (H.B. 2289, 1967)	State share.--100 percent. Local share.--None.	Requir Illino Extent Distri

continued

the public schools and for program participation

e funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
continued.)		
	State share.--100 percent of approved amount is provided Local share.--Reimburse 6 percent of loan each year and provide insurance and proper maintenance to building.	Requirements for participation.--Districts must have reduced its bonding power to less than $5,000 or will have done so by implementing State requirements to participate in the School Building Commission Fund. Extent of participation.--20 school districts are expected to obtain loans in 1968-69 in addition to the 84 districts with loans currently outstanding. Distributed.--By contractor as construction is completed.
	State share.--100 percent Local share.--None.	Requirements for participation.--Code requirements. Extent of participation.--1 commission Distributed.--Monthly.
	State share.--100 percent. Local share.--None.	Requirements for participation.--Meet Illinois School Code requirements. Extent of participation.--1. Distributed.--Monthly.

Provisions for Raising School Revenue

Property assessments.--Approximately 73 percent of school district funds are derived from local property taxes. Property assessments for this tax are established by either a board of assessors, a county assessor, or township assessor who may be appointed by the county board of supervisors or elected. Assessment procedures are supervised by State officials, but county officials have authority to change assessments.

A State agency determines ratios of assessed to true value of taxable property to equalize property valuations on a statewide basis. These ratios are used in establishing taxable valuations for required tax levies used in apportioning school aid and to alter the effect of tax rate and school debt limits.

Intermediate districts.--No countywide school taxes are authorized and no county funds are collected for school purposes.

Local districts.--Local school district revenue is largely derived from taxes on property assessments as adjusted by State assessment ratios. The laws prescribe maximum local tax rates which may be levied for general educational, building, and transportation purposes without a vote of the people and the additional amounts which may be approved through a series of referendums. These educational, building, transportation, and summer school fund tax rates are as follows:

Kind of school system	Without referendum	Maximum rates (Mills) By backdoor referendum[c]	 With referendum
Educational:			
1-8[a]	9.00	9.00	20.00
9-12[a]	9.00	9.00	20.00
1-12[b]	12.50	16.00	40.00
Buildings:			
1-8	1.875	2.500	3.75
9-12	1.875	2.500	3.75
1-12	2.500	3.750	7.50
Transportation:	.80	NA	1.50
Summer school:	NA	NA	1.50

a. Maximum educational tax rate increase in 1-8 or 9-12 districts in any referendum is 2.1 mills.
b. Maximum educational tax rate increase in a 1-12 district in any referendum is 4.0 mills.
c. Backdoor referendum (Sec. 17-2.2 Illinois School Code)

Provisions for School Indebtedness

Initiating bond issues.--Each school district has complete responsibility for the initiation of bond issues.

Limitations on issuance of bonds.--Serial bonds are required and they may be issued for a maximum of 20 years.

Limitations on debt.--By constitut
for capital outlay up to 5 percent of
justed by State assessment ratios. Th
division of government. It is possibl
rowing funds through the School Buildi

Voting requirements.--School boar
a majority vote of the qualified elect
issued without vote where the board, b
bonds to pay accumulated indebtedness
a notice of such intention; and within
electorate to submit the proposition t

Approval and sale of bonds.--No f
when bonds have been properly voted or
basis. The State does not assist with
prior purchase rights. Funds from the
ately may be invested.

Bond records, tax levies, and pay
above those for the current school pro
for maintaining bond records and for p

Short-term indebtedness.--Local b
cipation of current revenue up to 75 p
funds are to be repaid within one year
creation of short-term indebtedness to

BUDGETS

Provisions for School Budgets

Budget forms.--Standard budget fo
of Public Instruction are prepared by
secretary of the board. The fiscal ye
begins on July 1.

Local approval.--The budget must
prior to the first day of the second
must be available for inspection at le
filed with the county clerk by the las
superintendent nor the county clerk ha
budgets.

State review or approval.--There
but districts requesting State equali
the State Superintendent of Public In

Provisions for School Audits

Each school district is required
June 30. Audits are to be performed
in the State of Illinois. A copy of
intendent and with the State Superint

GPI 144

enue

ximately 73 percent of school district funds
axes. Property assessments for this tax are
assessors, a county assessor, or township
the county board of supervisors or elected.
sed by State officials, but county officials
nts.

tios of assessed to true value of taxable
uations on a statewide basis. These ratios
valuations for required tax levies used in
ter the effect of tax rate and school debt

countywide school taxes are authorized and no
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ol district revenue is largely derived from
adjusted by State assessment ratios. The laws
which may be levied for general educational,
oses without a vote of the people and the addi-
ved through a series of referendums. These
tion, and summer school fund tax rates are as

	Maximum rates (Mills)	
um	By backdoor referendum[c]	With referendum
	9.00 9.00 16.00	20.00 20.00 40.00
	2.500 2.500 3.750	3.75 3.75 7.50
	NA	1.50
	NA	1.50

ncrease in 1-8 or 9-12 districts in any refer-

ncrease in a 1-12 district in any referendum is

.2 Illinois School Code)

s

chool district has complete responsibility for

s.--Serial bonds are required and they may be

Limitations on debt.--By constitutional provision, school bonds may be issued for capital outlay up to 5 percent of the assessed valuation of the district as adjusted by State assessment ratios. This limitation applies to bonds issued to any division of government. It is possible to exceed the 5 percent limitation by borrowing funds through the School Building Commission.

Voting requirements.--School boards must be approved at a special election by a majority vote of the qualified electors who participate. However, bonds may be issued without vote where the board, by resolution, declares its intention to issue bonds to pay accumulated indebtedness or to create a Working Cash Fund; publishes a notice of such intention; and within 10 days has not been petitioned by the electorate to submit the proposition to a vote.

Approval and sale of bonds.--No further local or State approval is required when bonds have been properly voted or validated. Bonds are sold on the "yield" basis. The State does not assist with the sale of bonds and no State agency has prior purchase rights. Funds from the sale of bonds which are not needed immediately may be invested.

Bond records, tax levies, and payments.--All levies for debt retirement are above those for the current school program. The school treasurer is responsible for maintaining bond records and for payment of bonds.

Short-term indebtedness.--Local boards of education may borrow funds in anticipation of current revenue up to 75 percent of the amount levied. However, these funds are to be repaid within one year. There is no provision which permits the creation of short-term indebtedness to be repaid in the current fiscal year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Standard budget forms recommended by the State Superintendent of Public Instruction are prepared by each board of education and filed with the secretary of the board. The fiscal year for all school districts except Chicago begins on July 1.

Local approval.--The budget must be adopted by the local board of education prior to the first day of the second quarter of the fiscal year. Tentative budgets must be available for inspection at least 30 days prior to adoption. The tax is filed with the county clerk by the last Tuesday in September. Neither the county superintendent nor the county clerk has any legal authority over local school budgets.

State review or approval.--There is no State review or approval of the budgets, but districts requesting State equalization aid must submit a copy of the budget to the State Superintendent of Public Instruction.

Provisions for School Audits

Each school district is required to have its accounts audited annually as of June 30. Audits are to be performed by accountants licensed to practice accounting in the State of Illinois. A copy of the audit is to be filed with the county superintendent and with the State Superintendent of Public Instruction.

INDIANA
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

INDIANA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Gerald C. Carmony, Director, School Finance, Indiana State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 39 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts for local school systems, is provided by the State.

2. Approximately 92 percent of the State support money is appropriated by the legislature from the State general fund, the principal source of which is a 2 percent tax on retail sales and an adjusted gross income tax of 2 percent.

3. The major portion or 67.9 percent of the State support program is distributed through the State School Support Fund--Tuition Portion. The Property Tax Relief Fund accounts for 12.7 percent and the State School Support Fund--Transportation Portion, another 5.4 percent. The remainder of the State support is made up of funds for summer education, adult evening school, vocational education, tuition for children of State employees, and special classes for tuberculosis sanitarium patients.

4. Approximately 11 percent of the State support is derived from certain special taxes dedicated in whole or in part to school support. These are (a) the net corporate income tax revenue which is designated for schools and which must be used for debt service payments; (b) the intangible tax of which about 67 percent is designated for school and can be used for current expenditures; and (c) common school fund revenue and a portion of the excise tax which is used for special education.

5. Two State loan funds, the Veterans Memorial School Construction Fund and the Common School Fund, provide financial assistance for school construction.

LOCAL SUPPORT

1. Local and county revenue for public elementary and secondary schools is, for all practical purposes, derived from property taxes.

2. A local district 6.5 or 7.0 mill adjusted tax rate is required under the provisions of the "Tuition Portion" of the State School Support Fund.

3. Each district that desires to participate in the "Other Expense Portion" of the State School Support Fund must levy a tax equivalent to 7.5 mills on the district's adjusted assessed valuation in addition to the 6.5 or 7.0 mills required for the "Tuition Portion" of the fund.

4. A maximum of 19.5 mills on the local adjusted assessed valuation of taxable property may be levied by local school districts. There is no provision or requirement for a electoral approval.

5. School district indebtedness is limited to 2 percent of the assessed valuation of the district. Also, civil governmental units with boundaries coterminous with school district boundaries may use their 2 percent debt limit for schools.

6. Taxes for debt service do not require electoral approval and are levied as needed.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requi dist
Total		$264,956,891 (100.0%)		
STATE SCHOOL SUPPORT FUND--TUITION PORTION (Grades K-12) (Secs. A & B, page 1050, Ch. 298, Acts of 1967)		$179,846,230 (67.9%)	State share--Total calculated amount minus local share. If total expended for salaries of certified personnel is less than calculated program amount, the difference is deducted from the State payment. Local share--Yield of 7.0 mills adjusted local tax levy for grades K-12 or 6.5 mills if no kindergarten. Adjusted tax levy is the standard rate indicated, adjusted by State-determined assessment-to-sales ratio. Federal monies paid for federally affected areas under P.L. 874 are not included with the calculated local share.	Requir school Specia on the school ten is Extent school Distri
Instructional salaries..........	Adjusted per pupil allowance times number of counted pupils. Adjusted per pupil allowance is $185 times average tuition factor. Counted pupils are the number of pupils in K-12 ADA, counting kindergarten pupils in attendance as .5 ADA, or full-time equivalent classroom instructors multiplied by 30, whichever is smaller. Average tuition factor is determined from experience and training of instructional staff in accordance with the following table:			

College training (Years)	Experience (Years)	Factor
Less than 4	-	.8
4-5	0.5	.9
	6 or more	1.0
5 or more	0-9	1.1
	10-15	1.2
	16 or more	1.3

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requi dist
Administrative, supervisory, guidance, and auxiliary services....................	8 percent of recognized program amount for instructional salaries or calculated units multiplied by the unit value, whichever is greater. Allowed units equal K-12 ADA divided by 400. Unit value is the product of the adjusted per pupil allowance and 30.			
Superintendent's unit...........	One unit per district of 750 or more pupils in ADA. Unit allowance is product of adjusted per pupil allowance and 30.			
Public school services for pupils enrolled in non-profit private schools......	Average daily attendance of pupils enrolled in non-profit private schools who attend classes on a part-time basis in public schools may be counted for State Support, on a full-time equivalent basis.			
PROPERTY TAX RELIEF FUND (Sec. 2, p. 1057, Ch. 298, Acts of 1967)		$ 33,600,000 (12.7%)		Requir
Property tax..................... (Principally to be used for debt service and building fund.)	Amount per pupil in ADA, grades 1-12. Estimated to be $31 per pupil for 1968-69.		State share--100 percent of calculated amount. Local share--None.	Extent tricts. Distri June 30

PUBLIC SCHOOL FINANCE PROGRAM

ORT, 1968-69

on of State Funds for the public schools and for program participation

, and percent of State funds for school support, culation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . . $264,956,891 (100.0%)		
TION PORTION $179,846,230 (67.9%) 298, Acts of 1967) .... Adjusted per pupil allowance times number of counted pupils. Adjusted per pupil allowance is $185 times average tuition factor. Counted pupils are the number of pupils in K-12 ADA, counting kindergarten pupils in attendance as .5 ADA, or full-time equivalent classroom instructors multiplied by 30, whichever is smaller. Average tuition factor is determined from experience and training of instructional staff in accordance with the following table: College training (Years) — Experience (Years) — Factor Less than 4 — - — .8 4-5 — 0.5 — .9 — 6 or more — 1.0 5 or more — 0-9 — 1.1 — 10-15 — 1.2 — 16 or more — 1.3	**State share**--Total calculated amount minus local share. If total expended for salaries of certified personnel is less than calculated program amount, the difference is deducted from the State payment. **Local share**--Yield of 7.0 mills adjusted local tax levy for grades K-12 or 6.5 mills if no kindergarten. Adjusted tax levy is the standard rate indicated, adjusted by State-determined assessment-to-sales ratio. Federal monies paid for federally affected areas under P.L. 874 are not included with the calculated local share.	**Requirements for participation**--Operate schools for a term of 9 months. Levy Special School Tax equivalent to 6.5 mills on the adjusted assessed valuation of the school districts, 7.0 mills if kindergarten is included. **Extent of participation**--An estimated 393 school districts. **Distributed** quarterly.
y, y ...... 8 percent of recognized program amount for instructional salaries or calculated units multiplied by the unit value, whichever is greater. Allowed units equal K-12 ADA divided by 400. Unit value is the product of the adjusted per pupil allowance and 30.		
...... One unit per district of 750 or more pupils in ADA. Unit allowance is product of adjusted per pupil allowance and 30.		
...... Average daily attendance of pupils enrolled in non-profit private schools who attend classes on a part-time basis in public schools may be counted for State Support, on a full-time equivalent basis.		
$ 33,600,000 (12.7%) s of 1967) ..... debt Amount per pupil in ADA, grades 1-12. Estimated to be $31 per pupil for 1968-69.	**State share**--100 percent of calculated amount. **Local share**--None.	**Requirements for participation**--None. **Extent of participation**--393 school districts. **Distributed** to schools on or before June 30.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
STATE SCHOOL SUPPORT FUND--TRANSPORTATION PORTION (Ch. 298, Acts of 1967) (Ch. 245, Acts of 1959) $ 14,190,713 (5.4%) $20 per pupil transported who lives over 1.5 miles from school mulitplied by a density factor and a wealth factor	**State share**.--100 percent of calculated amount, but not to exceed 90 percent of the amount spent the year before. **Local share**.--At least 10 percent of cost.

Density

Pupils per number of miles	Factor
4.00 or more	.3
3.75 - 3.99	.4
3.50 - 3.74	.5
3.25 - 3.49	.6
3.00 - 3.24	.7
2.75 - 2.99	.8
2.50 - 2.74	.9
2.25 - 2.49	1.0
2.00 - 2.24	1.1
1.75 - 1.99	1.2
1.50 - 1.74	1.4
1.25 - 1.49	1.6
1.00 - 1.24	1.8
.75 - .99	2.0
.50 - .74	2.2
Under .50	2.4

Wealth

Assessed valuation per pupil	Factor
$16,000 or more	.0
15,000 - 15,999	.2
14,000 - 14,999	.4
13,000 - 13,999	.6
12,000 - 12,999	.8
11,000 - 11,999	.9
10,000 - 10,999	1.0
9,000 - 9,999	1.1
8,000 - 8,999	1.2
7,000 - 7,999	1.3
6,000 - 6,999	1.4
5,000 - 5,999	1.5
4,000 - 4,999	1.6
3,000 - 3,999	1.8
2,000 - 2,999	2.0
Under 2,000	2.2

Districts with an adjusted assessed valuation of $4,100 or less are defined to have a density factor of not less than 1.0.

E SUPPORT, 1968-69 -Continued
bution of State Funds for the public schools and for program participation

<table>
<tr><th>ount, and percent of State funds for school support, calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>0--TRANSPORTATION PORTION $ 14,190,713 (5.4%)
7) (Ch. 245, Acts of

$20 per pupil transported who lives over 1.5 miles from school mulitplied by a density factor and a wealth factor
<table>
<tr><th colspan="2">Density</th></tr>
<tr><th>Pupils per number of miles</th><th>Factor</th></tr>
<tr><td>4.00 or more</td><td>.3</td></tr>
<tr><td>3.75 - 3.99</td><td>.4</td></tr>
<tr><td>3.50 - 3.74</td><td>.5</td></tr>
<tr><td>3.25 - 3.49</td><td>.6</td></tr>
<tr><td>3.00 - 3.24</td><td>.7</td></tr>
<tr><td>2.75 - 2.99</td><td>.8</td></tr>
<tr><td>2.50 - 2.74</td><td>.9</td></tr>
<tr><td>2.25 - 2.49</td><td>1.0</td></tr>
<tr><td>2.00 - 2.24</td><td>1.1</td></tr>
<tr><td>1.75 - 1.99</td><td>1.2</td></tr>
<tr><td>1.50 - 1.74</td><td>1.4</td></tr>
<tr><td>1.25 - 1.49</td><td>1.6</td></tr>
<tr><td>1.00 - 1.24</td><td>1.8</td></tr>
<tr><td>.75 - .99</td><td>2.0</td></tr>
<tr><td>.50 - .74</td><td>2.2</td></tr>
<tr><td>Under .50</td><td>2.4</td></tr>
<tr><th colspan="2">Wealth</th></tr>
<tr><th>Assessed valuation per pupil</th><th>Factor</th></tr>
<tr><td>$16,000 or more</td><td>.0</td></tr>
<tr><td>15,000 - 15,999</td><td>.2</td></tr>
<tr><td>14,000 - 14,999</td><td>.4</td></tr>
<tr><td>13,000 - 13,999</td><td>.6</td></tr>
<tr><td>12,000 - 12,999</td><td>.8</td></tr>
<tr><td>11,000 - 11,999</td><td>.9</td></tr>
<tr><td>10,000 - 10,999</td><td>1.0</td></tr>
<tr><td>9,000 - 9,999</td><td>1.1</td></tr>
<tr><td>8,000 - 8,999</td><td>1.2</td></tr>
<tr><td>7,000 - 7,999</td><td>1.3</td></tr>
<tr><td>6,000 - 6,999</td><td>1.4</td></tr>
<tr><td>5,000 - 5,999</td><td>1.5</td></tr>
<tr><td>4,000 - 4,999</td><td>1.6</td></tr>
<tr><td>3,000 - 3,999</td><td>1.8</td></tr>
<tr><td>2,000 - 2,999</td><td>2.0</td></tr>
<tr><td>Under 2,000</td><td>2.2</td></tr>
</table>
Districts with an adjusted assessed valuation of $4,100 or less are defined to have a density factor of not less than 1.0.</td>
<td>State share.--100 percent of calculated amount, but not to exceed 90 percent of the amount spent the year before.

Local share.--At least 10 percent of cost.</td>
<td>Requirements for participation--School district must have a wealth ratio of less than $16,000 per pupil.

Extent of participation--373 school districts.

Distributed in July and January.</td></tr>
</table>

STATE SUPPORT, 1968-69 --Continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance
STATE SCHOOL SUPPORT FUND--INTANGIBLE TAX REVENUE (Sec. 22, Ch. 81, Acts of 1933)	$ 9,750,000	(3.7%)	
Intangible Tax Revenue...........	90 percent of State tax on intangibles is distributed among the counties on the basis of the proportion each county's assessed valuation is of the total assessed valuation for the State. After deducting 25 percent of the county share, the balance is distributed to school districts in proportion to their assessed valuation.		State share--100 percent of calculated amount. Local share--None.
STATE SCHOOL SUPPORT FUND--CORPORATE NET INCOME TAX (Debt service, with any balance for current expense) (Sec. 704, Ch. 32, Acts of 1963.)	$13,000,000	(4.9%)	
Corporate Net Income Tax.........	Amount per pupil in ADA, grades 1-12. (Estimated to be $12 per pupil for 1967-68)		State share--100 percent of calculated amount. Local share--None.
STATE SCHOOL SUPPORT FUND--OTHER CURRENT EXPENSE PORTION (grades 1-12) (Sec. 2C, p. 1050, Ch. 298, Acts of 1967.)	$ 4,927,893	(1.9%)	
Other current expense portion.... (Other than salaries and transportation.)	$60 per pupil in ADA, grades 1-12.		State share--Calculated amount minus local share. Local share--Yield of a 7.5 mills adjusted tax rate on the assessed valuation.
STATE SCHOOL SUPPORT FUND--SUMMER EDUCATION PORTION (Rule of the General Commission of Education of the State Board of Education)	$ 3,282,371	(1.2%)	
High School......................	Full-time equivalent ADA multiplied by adjusted per pupil allowance. Adjusted per pupil allowance equals $185 multiplied by average tuition factor of employed summer session instructors.		State share--100 percent of calculated amount but not to exceed amount expended. Local share--All costs not covered by reimbursement.
Elementary School................	Full-time equivalent ADA multiplied by an adjusted per pupil allowance.		
Administration...................	2/9 of the product of the number of administrative units and the value of a unit. Number of units equal ADA ÷ 400. Value of unit equals product of 30 and adjusted per pupil allowance.		

PUBLIC SCHOOL FINANCE PROGRAM

-69 --Continued

te Funds for the public schools and for program participation

ent of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
AX $ 9,750,000 (3.7%)) percent of State tax on intangibles is stributed among the counties on the sis of the proportion each county's sessed valuation is of the total asses- d valuation for the State. After de- cting 25 percent of the county share, e balance is distributed to school dis- icts in proportion to their assessed luation.	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--None. Extent of participation--All 393 school districts. Distributed in April and October of each year.
T INCOME $13,000,000 (4.9%) current 63.)		
ount per pupil in ADA, grades 1-12. stimated to be $12 per pupil for 67-68)	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--None. Extent of participation--393 school districts. Distributed on or before June 30.
T $ 4,927,893 (1.9%) 67.)) per pupil in ADA, grades 1-12.	State share--Calculated amount minus local share. Local share--Yield of a 7.5 mills adjusted tax rate on the assessed valuation.	Requirements for participation--Levy a special school tax equivalent to a rate of 7.5 mills on the adjusted assessed valuation of the district and have less than $8,000 adjusted assessed valuation per resident ADA, grades 1-12. Extent of participation--179 school districts. Distributed quarterly.
ION $ 3,282,371 (1.2%) of n) l-time equivalent ADA multiplied by usted per pupil allowance. Adjusted pupil allowance equals $185 multi- ed by average tuition factor of em- yed summer session instructors. l-time equivalent ADA multiplied by adjusted per pupil allowance. of the product of the number of ad- istrative units and the value of a t. Number of units equal ADA + 400. ue of unit equals product of 30 and usted per pupil allowance.	State share--100 percent of calculated amount but not to exceed amount expended. Local share--All costs not covered by reimbursement.	Requirements for participation--Conduct approved classes at the secondary school level for non-graduates and/or remedial reading for pupils in grades 1-8. High school summer sessions must be at least 40 days in length; elementary grade sessions must be at least 30 days in length. Extent of participation--314 school districts. Distributed as reimbursement after session reports have been received and approved.

INDIANA

STATE SUPPORT, 1968-69 --Continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements for district partic for distrib
SPECIAL EDUCATION FOR HANDICAPPED CHILDREN FUND (Sec. 1, Ch. 272, Acts of 1965)		$ 4,175,338 (1.6%)	State share--100% of calculated allowance. Local share--Balance of cost not covered by reimbursement.	Requirements for vide instructio physical or ment makes regular sc impractical or i no provision is institutions of must be State-ap Extent of partic districts. Distributed--as close of school
Special class teachers..........	50% of salaries			
Speech and hearing, physical, and occupational therapists...	70% of salaries			
Psychological services and special education administration........................	70% of cost			
Approved home teaching school, home telephone, and transportation..................	80% of cost			
VOCATIONAL EDUCATION FUND (Ch. 24, Acts of 1913 as amended)		$ 1,200,000 (.5%)	State share--100% of allowable amount with 45% for vocational home economics, 27.5% for vocational agriculture, and 27.5% for vocational trade and industrial education. The amount indicated does not include Federal support for vocational education. Local share--All costs not covered by reimbursement.	Requirements for applications an scribed in the Extent of partic districts. Distributed--as of school year.
Vocational Education..........	Part of cost of vocational education teachers' salaries and official travel based on salary schedules and official travel and per diem allowances.			
STATE SCHOOL SUPPORT FUND--ADULT EVENING SCHOOL PORTION (Rule of the General Commission on Education of the State Board of Education)		$ 856,499 (.3%)		
Adult Evening School Portion...	ADA multiplied by the adjusted per pupil allowance used in the "State School Support Fund--Tuition Portion."		State share--100% of calculated amount but not to exceed actual expenditure. Local share--All costs not covered by reimbursement.	Requirements fo classes in acco gulations of th classes in regu such courses to older youth who high school. Extent of parti tricts. Distributed as of school year
TRANSFER TUITION FOR CHILDREN OF STATE EMPLOYEES LIVING ON STATE PROPERTY (Ch. 247, Acts of 1955)		$ 116,398 (.04%)	State share--100% of calculated amount. Local share--None.	Requirements fo must enroll stu employees of th State property corporation or Extent of parti tricts. Distributed as school year as
Transfer Tuition for Children...	Average local expenditure per pupil, less distribution for tuition support and other current expense, times ADA of such pupils.			

tinued

for the public schools and for program participation

tate funds for school support, ct allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
D $ 4,175,338 (1.6%) ries aries t t	State share--100% of calculated allowance. Local share--Balance of cost not covered by reimbursement.	Requirements for participation--Provide instruction for pupils who have a physical or mental disability which makes regular schoolroom activity impractical or impossible, and for whom no provision is made in any of the institutions of the State. Classes must be State-approved. Extent of participation--281 school districts. Distributed--as reimbursement after close of school year.
$ 1,200,000 (.5%) t of vocational education salaries and official travel alary schedules and official per diem allowances.	State share--100% of allowable amount with 45% for vocational home economics, 27.5% for vocational agriculture, and 27.5% for vocational trade and industrial education. The amount indicated does not include Federal support for vocational education. Local share--All costs not covered by reimbursement.	Requirements for participation--File applications and meet standards prescribed in the State plan. Extent of participation--320 school districts. Distributed--as reimbursement after close of school year.
L $ 856,499 (.3%) lied by the adjusted per pupil used in the "State School Sup- -Tuition Portion."	State share--100% of calculated amount but not to exceed actual expenditure. Local share--All costs not covered by reimbursement.	Requirements for participation--Conduct classes in accordance with rules and regulations of the commission and hold classes in regular high school subjects, such courses to be offered to adults and older youth who have not graduated from high school. Extent of participation--42 school districts. Distributed as reimbursement after close of school year - annually.
ES $ 116,398 (.04%) cal expenditure per pupil, less on for tuition support and nt expense, times ADA of such	State share--100% of calculated amount. Local share--None.	Requirements for participation--District must enroll students whose parents are employees of the State and who live on State property located in the school corporation or within the same county. Extent of participation--39 school districts. Distributed as reimbursement at end of school year as claims are approved.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
TUITION FOR CLASSES IN TUBERCULOSIS SANATARIUMS $ 11,449 (.004%) (Ch. 18, Acts of 1945) Tuition for classes in Tuberculosis Sanatariums............. Cost of providing instructional service up to 1.5,the cost of a regular transfer student in the district.	State share--100% of allowable amount. Local share--None.
STATE LOAN FUNDS FOR SCHOOLS	
VETERANS MEMORIAL SCHOOL CONSTRUCTION FUND (Est.) $ 1,500,000 (-) (Ch. 312, Acts of 1955, amended) Approved Maximum per Classroom New construction $20,000 Additions to buildings 10,000 Remodeling or repair 5,000	State share--100% of approved loan but ma mum outstanding total loan from this fund may not exceed $250,000 for a district. Local share--Eligibility for loans are ba on local financial effort and need. Repa ment is made in semi-annual installments over a maximum period of 20 years. Amoun of repayment on principal, plus 1% carryi charge is withheld by the State from the districts "State School Support Fund--Tui tion Portion" distribution and transferre directly to the Veterans Memorial Constru tion Fund.
COMMON SCHOOL FUND $ 19,000,000 (-) (Ch. 379, Acts of 1959, as amended) Common School............... Amount of approved loan not to exceed $2,000 per pupil, including the funds to be provided locally. The Common School Building Fund Commission has established $750,000 as the maximum amount of advancement per district.	State share--Amount of approved project cost to maximum minus local share. Local share--Repayment is made in semi-annual installments over a maximum period of 20 years. Interest charges are 3-3/ per annum of the unpaid balance. Local districts are authorized to levy a local tax for the amount of repayment but the State actually obtains repayment by withholding necessary amount from distributions of State school funds.

-69 --Continued

PUBLIC SCHOOL FINANCE PROGRAM

te Funds for the public schools and for program participation

cent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ANATARIUMS $ 11,449 (.004%) Cost of providing instructional service up to 1.5, the cost of a regular transfer student in the district.	State share--100% of allowable amount. Local share--None.	Requirements for participation--Districts must provide instructional services for patients in approved sanitariums in the districts which meet prescribed State rules and regulations and provide necessary applications and reports. Extent of participation--Two school districts. Distributed as reimbursement at end of school year on the basis of annual claims.
- - - - - - - - - - - - - - -	- - - - - - - - - - - - - - -	- - - - - - - - - - - - - - -
FOR SCHOOLS		
FUND (Est.) $ 1,500,000 (-) m per Classroom $20,000 10,000 5,000	State share--100% of approved loan but maximum outstanding total loan from this fund may not exceed $250,000 for a district. Local share--Eligibility for loans are based on local financial effort and need. Repayment is made in semi-annual installments over a maximum period of 20 years. Amount of repayment on principal, plus 1% carrying charge is withheld by the State from the districts "State School Support Fund--Tuition Portion" distribution and transferred directly to the Veterans Memorial Construction Fund.	Requirements for participation--District must have levied at least 5 mills on the assessed valuation for at least 3 years prior to application. The extent of need for new classrooms is based on projected enrollments for the next 6 years. Extent of participation--A total of 110 districts have obtained loans from this fund. Six are expected to obtain loans this year. Distributed as loans are approved.
$ 19,000,000 (-) unt of approved loan not to exceed 000 per pupil, including the funds to provided locally. The Common School lding Fund Commission has established 0,000 as the maximum amount of advance- t per district.	State share--Amount of approved project cost to maximum minus local share. Local share--Repayment is made in semi-annual installments over a maximum period of 20 years. Interest charges are 3-3/8% per annum of the unpaid balance. Local districts are authorized to levy a local tax for the amount of repayment but the State actually obtains repayment by withholding necessary amount from distributions of State school funds.	Recuirements for participation--Districts must have raised, by bond issue and/or cumulative building fund levy, an amount equal to at least 2% of the adjusted assessed valuation. Extent of participation.--A few school districts will obtain new advancements during 1968-69. Distributed as loans are approved. Distributed as loans are approved.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations under State supervision are determined by locally elected assessors and valuations may be changed by county boards of review. The State Board of Tax Commissioners assesses public utilities and, on appeal from a county board of review or at the time of statewide assessments, may adjust other assessments.

At least every fourth year, the State Board of Tax Commissioners is required to determine statewide and county assessment-to-sales ratios. By dividing the statewide ratio by the county ratios, the adjustment factors to apply against the school corporation tax rates are computed. The purpose of the tax adjustment factor is to equalize the local share deducted from the State foundation program for education. It is not used to change assessments.

Amounts for operating the county school superintendents' offices are included in the civil government budget of each county which employs a county school superintendent and necessary amounts are appropriated from county revenues.

Local districts.--Local school districts are authorized to levy a tax not to exceed 49.5 mills on the adjusted assessed valuation for current operating expense. This includes current expense for all activity programs sponsored and paid for by the school district. Chapter 328 of the 1967 Acts sets out the details in regard to the General Fund and levy.

In addition to the above, local school districts are authorized to levy a tax for debt service obligations, including lease rental, bonds, civil bond obligations, veterans' memorial and common school fund repayments. No limitation is placed on the Debt Service Fund levy. The State Tax Board is authorized to increase a debt service levy as advertised, if necessary, to meet the debt service obligations. Chapter 320 of the 1967 Acts sets out details in regard to the debt service fund and levy.

Local school districts are authorized to establish a Cumulative Building Fund levy to raise funds for schoolhouse construction, remodeling, additions to buildings, acquisition of land, improvement of sites, and leasing facilities for school purposes. The Cumulative Building Fund levy is limited to 12.5 mills per dollar (1.25 per $100) of assessed valuation. It may be established to run for a period not to exceed twelve years. Details of the provisions of the Cumulative Building Fund law are set out in Burns annotated statutes 28-1108 to 28-1111, 1965.

Special laws applicable only in Lake and Dearborn Counties provide for uniform tax levies on a countywide basis. The yield of said levies are collected by civil counties and redistributed to school districts within the counties. Details of the distribution plan for Dearborn County are set out in Chapter 190, of the Acts of 1967. The Lake County plan is found in Chapter 278, of the 1965 Acts, Burns reference is 28-1133.

Other sources of income are nontax items and include receipts from transfer tuitions, property sales, gifts, and contributions.

All levies for school purposes are subject to review and approval by county tax adjustment boards and the State Board of Tax Commissioners. No local referendums are required for any tax levy.

Provisions for School Indebtedness

Initiating bond issues.--Responsibility for initi
with the local school corporations. Civil governments
coterminous with school corporations may also issue bo
tion.

Limitation on issuance of bonds.--Serial bonds are
of bond issues must be used for capital outlay purpose
prescribe any maximum number of years for which the bo
the State Board of Tax Commissioners rarely approves b
years. Annual payments of principal and interest must
approximately equal payments.

Limitations on debt.--The State Constitution limit
cent of the assessed valuation. However, the courts h
governmental units which are coterminous with school c
bonds for school purposes for a maximum of 2 percent o
tion, which permits a total possible maximum of 4 perc
Veterans Memorial School Construction Fund and the Com
late that such loans shall not be considered as a part
limitation on indebtedness.

School corporations are authorized by law to ente
agreements with school building authorities which have
buildings in accordance with laws, rules, and regulati
construction. Such agreements provide that when schoo
become the property of the school corporations. Such
sidered as indebtedness against the 2-percent constitu

Voting requirements.--There are no voting requiren
However, a petition signed by at least 50 taxpayers is
to the 2-percent limitation.

Approval and sale of bonds.--Prior to their issuan
must be approved by the State Board of Tax Commissione
tion bonds are sold on a bid basis for the most favora
the school corporation. State assistance with the sal
vided and the bonds do not have to be offered first to
from the sale of bonds which are not immediately requi
tion may be invested until needed.

Bond records, tax levies, and payments.--Tax levie
bonds are not subject to the limitations prescribed fo
school purposes. Bond records are kept by the local s
the levies necessary to retire the bonds are determine

Short-term indebtedness.--Local school corporation
county auditor for advances against the budget from fu
able from the proceeds of tax levies in the county. T
ductible from the apportionment when revenues become a
may be borrowed by the issuance of tax anticipation wa
offered to the bank. Short-term indebtedness, with th
term bonds and emergency loans must be retired during
Special tax levies are permissible for reitrement of s
emergency loans during the next succeeding fiscal year

valuations under State supervision are deter-
valuations may be changed by county boards
missioners assesses public utilities and, on
or at the time of statewide assessments, may

State Board of Tax Commissioners is required
essment-to-sales ratios. By dividing the
the adjustment factors to apply against the
ted. The purpose of the tax adjustment
deducted from the State foundation program
ge assessments.

school superintendents' offices are included
county which employs a county school super-
ppropriated from county revenues.

stricts are authorized to levy a tax not to
ssed valuation for current operating ex-
for all activity programs sponsored and paid
28 of the 1967 Acts sets out the details in

chool districts are authorized to levy a
uding lease rental, bonds, civil bond obli-
school fund repayments. No limitation is
The State Tax Board is authorized to in-
ed, if necessary, to meet the debt service
Acts sets out details in regard to the debt

ized to establish a Cumulative Building Fund
nstruction, remodeling, additions to build-
of sites, and leasing facilities for school
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hool districts within the counties. De-
rborn County are set out in Chapter 190, of
n is found in Chapter 278, of the 1965 Acts,

x items and include receipts from transfer
ontributions.

e subject to review and approval by county
ard of Tax Commissioners. No local refer-

Provisions for School Indebtedness

Initiating bond issues.--Responsibility for initiating bond issues lies with the local school corporations. Civil governmental units which are coterminous with school corporations may also issue bonds for school construction.

Limitation on issuance of bonds.--Serial bonds are required. The proceeds of bond issues must be used for capital outlay purposes. Indiana law does not prescribe any maximum number of years for which the bonds may be issued, but the State Board of Tax Commissioners rarely approves bonds for more than 20 years. Annual payments of principal and interest must be scheduled to provide approximately equal payments.

Limitations on debt.--The State Constitution limits indebtedness to 2 percent of the assessed valuation. However, the courts have ruled that civil governmental units which are coterminous with school corporations may issue bonds for school purposes for a maximum of 2 percent of the assessed valuation, which permits a total possible maximum of 4 percent. Loans from the Veterans Memorial School Construction Fund and the Common School Fund stipulate that such loans shall not be considered as a part of the constitutional limitation on indebtedness.

School corporations are authorized by law to enter into lease rental agreements with school building authorities which have constructed school buildings in accordance with laws, rules, and regulations governing school construction. Such agreements provide that when schools are paid for they become the property of the school corporations. Such agreements are not considered as indebtedness against the 2-percent constitutional debt limitation.

Voting requirements.--There are no voting requirements for indebtedness. However, a petition signed by at least 50 taxpayers is required to issue bonds to the 2-percent limitation.

Approval and sale of bonds.--Prior to their issuance, all bond proposals must be approved by the State Board of Tax Commissioners. School Construction bonds are sold on a bid basis for the most favorable interest rate to the school corporation. State assistance with the sale of bonds is not provided and the bonds do not have to be offered first to a State agency. Funds from the sale of bonds which are not immediately required for school construction may be invested until needed.

Bond records, tax levies, and payments.--Tax levies necessary to retire bonds are not subject to the limitations prescribed for current levies for school purposes. Bond records are kept by the local school corporations and the levies necessary to retire the bonds are determined by these corporations.

Short-term indebtedness.--Local school corporations may apply to the county auditor for advances against the budget from funds which may be available from the proceeds of tax levies in the county. These advances are deductible from the apportionment when revenues become available. Also, funds may be borrowed by the issuance of tax anticipation warrants which are offered to the bank. Short-term indebtedness, with the exception of short-term bonds and emergency loans must be retired during the current fiscal year. Special tax levies are permissible for reitrement of short-term bonds and emergency loans during the next succeeding fiscal year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms for school corporations are prescribed by the State Board of Accounts. School budgets are prepared by local school officials and are based on needs for the period from January 1 to December 31.

Local approval.--Final action on school budgets by local boards is taken on the last Thursday in August after public hearing on that date. The time and place of the hearing must have been properly announced as a part of the publication of the budget in local newspapers.

State review or approval.--Final review of school budgets is conducted by the State Board of Tax Commissioners, which has authority to make further adjustments in levies, and may restore reductions made by County Tax Adjustment Board. Rates and levies established by the State Tax Board are effective without change during the fiscal year to which they apply.

Whenever additional or
of the local school board,
view and approval, disappro

Provisions for School Audit

School audits are made
years. A portion of the co
systems. Copies of all au
and by the local unit.

PUBLIC SCHOOL FINANCE PROGRAM

DGETS AND AUDITS

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forms for school corporations are prescribed by the
School budgets are prepared by local school officials
the period from January 1 to December 31.

action on school budgets by local boards is taken on
after public hearing on that date. The time and
ave been properly announced as a part of the publica-
newspapers.

val.--Final review of school budgets is conducted by
issioners, which has authority to make further ad-
y restore reductions made by County Tax Adjustment
tablished by the State Tax Board are effective
iscal year to which they apply.

Whenever additional or emergency appropriations become necessary, approval of the local school board, after advertised public hearing, is followed by review and approval, disapproval, or modification by the State Tax Board.

Provisions for School Audits

School audits are made by the State Board of Accounts every two to four years. A portion of the cost of the audits is charged to the local school systems. Copies of all audits are kept on file by the State Board of Accounts and by the local unit.

IOWA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

IOWA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Richard N. Smith, Associate Superintendent, Administrative Services, Iowa State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 14 percent of the nonfederal revenue for public elementary and secondary schools and junior colleges, including only State grants and county and local revenue receipts, is provided by the State.

2. Legislative appropriation is the principal source of the State apportionment money for schools. Less than 1 percent of the State grant money is from income earned by permanent school endowments.

3. Beginning with the 1967-68 fiscal year, the State of Iowa initiated a revised formula for the financial support of public elementary and secondary education. Three aid funds; General Aid, Supplemental Aid and Transportation Aid were replaced effective January 1, 1968, by a new aid formula. The new formula provides for a Basic School Tax Equalization Fund and a State Equalization Fund. If receipts from these funds and other sources are not sufficient to provide the amount certified by the local district board of education, the additional amount necessary will be raised by a property tax levied on the individual district.

4. Forty percent of the State income tax paid by individuals is returned to the Basic School Tax Unit of origin. The Basic School Tax Unit is coterminous with the county school system.

   Funds for the Basic School Tax Equalization Fund are derived from the income tax returned and a uniform property tax levied on the property within the Basic School Tax Unit.

   A district's entitlement to State Equalization Funds is determined by a formula which compares the district's wealth per pupil in ADM plus number of children 5 through 20 to average per pupil wealth of the State. Both real property and income are used as indices of wealth.

LOCAL SUPPORT

1. Local and county taxes for school support are obtained almost entirely from taxes on tangible property.

2. Property taxes paid in individual school districts are composed of a uniform property tax spread on the property of a Basic School Tax Unit (County school system) and an additional property tax of varying amounts spread upon the property of individual school districts.

3. County boards of supervisors may levy a property tax of .25 to .75 mills for school purposes. Also, a county board of education may certify its own levy for support of the office of the county superintendent of schools.

4. School district budgets which have proposed expenditures in excess of an adjusted State average reimbursable expenditure per pupil in ADM are submitted to a School Budget Review Committee for examination. Such districts whose proposed reimbursable expenditure per pupil in ADM exceeds an allowable figure, may have a reduction in State Equalization Funds the following year. A district's allowable figure is its actual reimbursable expenditure per pupil adjusted by the State Allowable Growth Factor. The Growth Factor is the 3-year average change in sales and use taxes, personal and corporate income taxes, and the assessed valuation of property.

5. School Bonds may be issued up to 5 percent of the district's actual value. The tax rate for debt service is limited to 15 mills. To exceed 10 mills for this purpose the ballot must contain such provision and the voters must so approve. A 60 percent favorable vote is required.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
Total $171,728,508 (100.0%)	
STATE EQUALIZATION AID FUND (Ch. 442) $111,000,000 (64.6%)	State share.--Variable percent of reimbursable expenditures for previous year depending upon the wealth of the high school district. The formula is so designed to pay 75 percent of an average district's reimbursable expenditures. State pays a higher percent for districts of lesser wealth.

$$\left[1.00 - \left(.25\left[\frac{\dfrac{\left(\text{Local District Market Value of Real Property} \times .7\right) + \left(\text{Local District Adjusted Gross Income} \times .3\right)}{\dfrac{\text{A.D.M.} + \text{School Census (5-21)}}{2}}}{\dfrac{\left(\text{Total State Market Value of Real Property} \times .7\right) + \left(\text{Total State Adjusted Gross Income} \times .3\right)}{\dfrac{\text{State A.D.M.} + \text{State School Census (5-21)}}{2}}}\right]\right)\right]\left[\text{Reimbursable Expenditures}\right] - \left[\text{Receipts from Basic School Tax Equalization Fund}\right] = \text{State Equalization Aid}$$

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
	Local share.--District pays balance of reimbursable expenditures.
INCOME TAX PROCEEDS (Sec. 442.5) (Est.) $38,431,000 (22.4%)	State share.--40 percent of individual income tax collected and credited from the taxpayers of each Basic School Tax Unit is paid to the Basic School Tax Unit and placed in the Basic School Tax Equalization Fund for distribution on an ADM basis.
GENERAL AID FUND $ 6,000,000 (3.5%)	
Area vocational school or area community colleges (Senate file 616, 62nd General Assembly, 1967) — $2.25 per pupil, resident of Iowa, per day for each pupil carrying 12 or more hours of work, or full-time equivalent students.	State share.--100 percent of calculated amount. Local share.--All costs above State share. A district may not levy in excess of 3/4 mill in current operation in support of this program.
CAPITAL OUTLAY FUND (For area and vocational schools)(Senate file 879, 62nd General Assembly, 1967) $ 4,750,000 (2.8%)	
Cost of project as specified in the approved application. ($9,500,000 has been approved for the biennium, and half this amount is included in the amount shown.)	State share.--100 percent of construction amount for approved area school projects. Local share.--All costs not covered by State funds. Voters may vote 3/4 mill tax not to exceed 5 years for construction.

PUBLIC SCHOOL FINANCE PROGRAM

RT, 1968-69

tate funds for the public schools and for program participation

rcent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . $171,728,508 (100.0%)		
$111,000,000 (64.6%) . 7) + (Local District Adjusted Gross Income x. 3) School Census (5-21) 2 . 7) + (Total State Adjusted Gross Income x. 3) tate School Census (5-21) 2	State share.--Variable percent of reimbursable expenditures for previous year depending upon the wealth of the high school district. The formula is so designed to pay 75 percent of an average district's reimbursable expenditures. State pays a higher percent for districts of lesser wealth. [Reimbursable Expenditures] - [Receipts from Basic School Tax Equalization Fund] = State Equalization Aid Local share.--District pays balance of reimbursable expenditures.	Requirements for participation.--District must be approved by State Department of Public Instruction and maintain K-12 program. Extent of participation.--455 high school districts. Distributed.--In fall for claims related to previous year reimbursable expenditures.
(Est.) $38,431,000 (22.4%)	State share.--40 percent of individual income tax collected and credited from the taxpayers of each Basic School Tax Unit is paid to the Basic School Tax Unit and placed in the Basic School Tax Equalization Fund for distribution on an ADM basis.	Requirements for participation.--District must have an average daily membership. Extent of participation.--All 455 high school districts and 6 nonhigh school districts. Distributed.--20 percent on or about April 1 and 20 percent on or about October 1. ($15,681,000 distributed April 1, 1968.)
$ 6,000,000 (3.5%) $2.25 per pupil, resident of Iowa, per day for each pupil carrying 12 or more hours of work, or full-time equivalent students.	State share.--100 percent of calculated amount. Local share.--All costs above State share. A district may not levy in excess of 3/4 mill in current operation in support of this program.	Requirements for participation.--Must be State-approved. Extent of participation.--15 area schools and 1 junior college. Distributed.--Quarterly (August, November, February, and May)
62nd $ 4,750,000 (2.8%) Cost of project as specified in the approved application. ($9,500,000 has been approved for the biennium, and half this amount is included in the amount shown.)	State share.--100 percent of construction amount for approved area school projects. Local share.--All costs not covered by State funds. Voters may vote 3/4 mill tax not to exceed 5 years for construction.	Requirements for participation.--Schools must be approved and comply or meet program regulations and standards. Extent of participation.--300 school districts were paid for vocational and technical education programs provided. Distributed.--In the fall.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements for district partici for distribu
VOCATIONAL EDUCATION OPERATION FUND (Sec. 258.8, 1966, Code of Iowa, Senate File 876, 62nd General Assembly, 1967)	$6,000,000 (3.5%)	Amount expended of approved program.	State share.--50 percent of amount for adult programs. Approximately 20 percent of the amount for day-school programs, as funds allow. Percents shown are for combined State funds listed and Federal funds for vocational education. Local share.--All costs in excess of State share.	Requirements for p must be approved a gram regulations a Extent of particip tricts were paid f nical education pr Distributed.--In t
HANDICAPPED CHILDREN'S AID FUND (Sec. 281.9, 1966 Code of Iowa. First established in 1945)	$3,500.000 (2.0%)			
Special education classes and transportation of handicapped children............		Cost of special classes, home instruction, and pupil transportation.	State share.--Excess cost per pupil above the average amount expended for other children. Local share.--Same level of expenditure per pupil as provided for other children.	Requirements for p for handicapped ch comply with State must meet State qu School census must special enumeratic Extent of particip tricts in 1966-67 in 1965-66, plus 9 Distributed.--In A
DRIVER EDUCATION FUND (Sec. 321.513, 1966 Code of Iowa.)	$1,700,000 (1.0%)	$30 per pupil completing course is paid to the public school district. Private school pupils may receive this training and be included for aid purposes.	State share.--100 percent of calculated amount. Local share.--All additional program costs.	Requirements for p education course m Department of Pub Extent of particip school district be term in 1965. Distributed.--At t school year, on th
EMERGENCY AID FUND (Budget deficit) (Established by the General Assembly in 1957.)	$ 50,000 (--)	Amount of emergency aid considered appropriate by the State Superintendent of Public Instruction.	State share.--100 percent of approved amount. Local share.--Income from a 100-mill local levy and all other local revenue available for schools.	Requirements for p inability to prov program on a 100-m emergency aid. Extent of partici 1964-65 for progr Distributed.--Bet of the current ye

te funds for the public schools and for program participation

cent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$6,000,000 (3.5%)		
mount expended of approved program. $3,500.000 (2.0%)	State share.--50 percent of amount for adult programs. Approximately 20 percent of the amount for day-school programs, as funds allow. Percents shown are for combined State funds listed and Federal funds for vocational education. Local share.--All costs in excess of State share.	Requirements for participation.--Schools must be approved and comply or meet program regulations and standards. Extent of participation.--300 school districts were paid for vocational and technical education programs provided. Distributed.--In the fall.
ost of special classes, home instruc-ion, and pupil transportation. $1,700,000 (1.0%)	State share.--Excess cost per pupil above the average amount expended for other children. Local share.--Same level of expenditure per pupil as provided for other children.	Requirements for participation.--Programs for handicapped children under 21 must comply with State standards. Teachers must meet State qualification standards. School census must make and report a special enumeration of such children. Extent of participation.--398 school districts in 1966-67 for programs provided in 1965-66, plus 97 county units. Distributed.--In August.
30 per pupil completing course is paid o the public school district. Private chool pupils may receive this training nd be included for aid purposes. $ 50,000 (--)	State share.--100 percent of calculated amount. Local share.--All additional program costs.	Requirements for participation.--Driver education course must be approved by the Department of Public Instruction. Extent of participation.--Every public school district beginning with the fall term in 1965. Distributed.--At the end of the 1965-66 school year, on the basis of $30 per pupil.
mount of emergency aid considered appropriate by the State Superintendent of ublic Instruction.	State share.--100 percent of approved amount. Local share.--Income from a 100-mill local levy and all other local revenue available for schools.	Requirements for participation.--District's inability to provide an adequate education program on a 100-mill levy and apply for emergency aid. Extent of participation.--7 districts in 1964-65 for programs in 1965-66. Distributed.--Between July 1 and August 15 of the current year.

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for su the calculated State program a
SEMI-ANNUAL APPORTIONMENT FUND (Art. IX, Constitution of Iowa and Sec. 298.11, 1962 Code of Iowa.)		$ 147,508 (.1%)	
Current expense, grades K-14.....	Proportion of children 5-21 years of age inclusive, in district. Amounts to about $.18 per census child.		State share.--100 percent of calc amount. Local share.--None.
CHILDREN IN STATE INSTITUTIONS, TUITION IN CHARITABLE INSTITUTION, OR CHILD IN BOARDING HOME. (Secections 282.22, 282.23, 282.25, 1966 Code of Iowa.)		(Est.) $ 150,000 (.1%)	
	Payments are paid from funds not otherwise appropriated.		State share.--100 percent of calc amount. Local share.--Any costs which exc maximum permitted for tuition.

PUBLIC SCHOOL FINANCE PROGRAM

RT, 1968-69 --continued

tate funds for the public schools and for program participation

rcent of State funds for school support, n of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 147,508 (.1%)		
Proportion of children 5-21 years of age inclusive, in district. Amounts to about $.18 per census child.	**State share**.--100 percent of calculated amount. **Local share**.--None.	**Requirements for participation**.--Make and report a school census of children 5-21 years of age. **Extent of participation**.--All 455 school districts. **Distributed**.--Twice a year in October and April.
(Est.) $ 150,000 (.1%)		
Payments are paid from funds not otherwise appropriated.	**State share**.--100 percent of calculated amount. **Local share**.--Any costs which exceed the maximum permitted for tuition.	**Requirements for participation**.--Child's domicile must have been in another school district. **Extent of participation**.--42 school districts. **Distributed**.--In the fall of the year.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations are established by county or city assessors. Cities of more than 125,000 population provide their own assessors; in cities of 10,000 to 125,000 population, it is optional as to whether they have a city assessor or be under the county assessor. County assessors are appointed by a joint conference board composed of the following: The mayors of those cities and towns which do not have a city assessor, the county board of supervisors, and the county board of education. These appointments are from an eligible list established by examination. The entire assessment procedure is supervised by the State Revenue Department which has the authority to equalize assessments on a statewide basis. Assessments by law are to be at 27 percent of actual value. Actual value is defined as market value.

Intermediate districts.--From .25 to .75 of a mill may be levied for school purposes by the county board of supervisors. Also, the county board of education certifies its own levy for operation of county superintendent's office and staff. There are no legal limitations on this levy.

Local districts.--District taxes may be authorized by school boards without electoral approval. However, districts whose proposed expenditures exceed a certain amount per pupil must submit their budgets to a School Budget Review Committee for examination and recommendations.

By approval of the electors, a levy of 2.5 mills may be authorized to provide a school building fund. Also, taxes of .5, 1.0, and 15.0 mills, respectively, may be levied for the Schoolhouse Fund for the establishment and maintenance of recreation places and playgrounds, the purchase of school sites, and the payment of debt service. An additional 5 mills may be levied for the rental or lease-purchase of buildings upon approval of 60 percent of the voters.

Local revenue is also obtained from a State replacement of taxes on money and credits which were levied at the rate of 5 mills with half this amount, or 2.5 mills, going to the schools. After January 1, 1967, this tax was not levied. The revenue which would have been obtained is paid by the State to the district from a monies and credits Tax Replacement Fund.

Provisions for School Indebtedness

Initiating bond issues.--Bonds may be initiated by the filing of a petition of 25 percent of the number voting at the last election of school officials. Under some conditions, the school board may make the proposal asking that an election be called, stating the amount and purpose of the issue.

Limitations on issuance of bonds.--Bonds may be issued to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving, or remodeling a schoolhouse, schoolhouses or additions, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home or homes, and for acquiring sites. The local board may, without a vote of the people, issue bonds to satisfy a court order for judgment on unsatisfied indebtedness. Bonds must be serial and must not exceed twenty years. A fixed interest rate is required and bonds must be issued in denominations of not more than

Limitations on debt.--As provided in
to 5 percent of the actual value of taxable

Voting requirements.--To be authorized
cent of the qualified electors voting. The
of electors.

Approval and sale of bonds.--No appro
required and the State has no responsibili
Sales are usually arranged through large b
through bond sales but not immediately req
sury certificates or may be placed on time

Bond records, tax levies, and payment
for the "Schoolhouse Fund" are in excess o
"General Aid Fund" and are limited to 15 m
power to set a higher limit under unusual
locally assessed values. The secretary of
for maintaining the bond record, and the l
payment of the bonds.

Short-term indebtedness.--The school
these are presented for payment, if there
stamped "not paid for want of funds" and i
rants may not be issued in excess of antic
Legally, districts may not exceed this lim
tricts do. Stamped warrants must be calle
available in the treasury.

BUDGETS AN

Provisions for School Budgets

Budget forms.--State-prescribed forms
tax levies to the county board of supervis
on July 1 and ends June 30 and corresponds
tax year is from January 1 to December 31.

Local approval.--The county superinte
boards in the preparation of their budgets
them. Public hearings must be held 20 da
to the levying board. Public notice must
depending upon size of school district, a
Local boards of education must make final
before June 25 and the budget must be cer
July 15. One-fourth of 1 percent of the
fewer than 10 electors, may protest the b
Board. Appeal must be made no later than

ations are established by county or city
opulation provide their own assessors; in
t is optional as to whether they have a
essor. County assessors are appointed by
following: The mayors of those cities
or, the county board of supervisors, and
ointments are from an eligible list estab-
ment procedure is supervised by the State
y to equalize assessments on a statewide
7 percent of actual value. Actual value

.75 of a mill may be levied for school
rs. Also, the county board of education
ounty superintendent's office and staff.
vy.

be authorized by school boards without
hose proposed expenditures exceed a cer-
udgets to a School Budget Review Com-
s.

of 2.5 mills may be authorized to provide
5, 1.0, and 15.0 mills, respectively, may
establishment and maintenance of recrea-
of school sites, and the payment of debt
vied for the rental or lease-purchase of
the voters.

a State replacement of taxes on money and
5 mills with half this amount, or 2.5
ry 1, 1967, this tax was not levied. The
paid by the State to the district from a

e initiated by the filing of a petition
last election of school officials. Under
e the proposal asking that an election be
the issue.

Bonds may be issued to defray the cost of
tructing, repairing, improving, or remod-
tions, gymnasium, stadium, field house,
endent's home or homes, and for acquiring
te of the people, issue bonds to satisfy
indebtedness. Bonds must be serial and
terest rate is required and bonds must

be issued in denominations of not more than $1,000 or less than $100.

Limitations on debt.--As provided in the Constitution, bonds are limited to 5 percent of the actual value of taxable property in the district.

Voting requirements.--To be authorized, bonds must be voted by 60 percent of the qualified electors voting. There are no property qualifications of electors.

Approval and sale of bonds.--No approval outside the school district is required and the State has no responsibility in connection with the bond issue. Sales are usually arranged through large bonding houses. Funds obtained through bond sales but not immediately required may be invested in U.S. Treasury certificates or may be placed on time deposit in an Iowa bank.

Bond records, tax levies, and payments.--Taxes for bonded indebtedness for the "Schoolhouse Fund" are in excess of those for current expense or the "General Aid Fund" and are limited to 15 mills. No State authority has the power to set a higher limit under unusual circumstances. Limits are based on locally assessed values. The secretary of the school board has responsibility for maintaining the bond record, and the local school board is responsible for payment of the bonds.

Short-term indebtedness.--The school board may issue warrants and when these are presented for payment, if there are insufficient funds, they are stamped "not paid for want of funds" and interest at 4 percent is drawn. Warrants may not be issued in excess of anticipated revenue for the budget year. Legally, districts may not exceed this limit, although in practice some districts do. Stamped warrants must be called in and paid off from the first funds available in the treasury.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--State-prescribed forms must be used for certification of tax levies to the county board of supervisors. The school fiscal year begins on July 1 and ends June 30 and corresponds with the State fiscal year. The tax year is from January 1 to December 31.

Local approval.--The county superintendent is charged with assisting local boards in the preparation of their budgets, but he has no authority to revise them. Public hearings must be held 20 days before certification of the budget to the levying board. Public notice must be posted or published in a newspaper, depending upon size of school district, at least 10 days before public hearing. Local boards of education must make final adoption of the school budget on or before June 25 and the budget must be certified to the county auditor by July 15. One-fourth of 1 percent of the qualified electors, but in no event fewer than 10 electors, may protest the budget and appeal it to the State Appeal Board. Appeal must be made no later than the first Tuesday in September.

Provisions for School Budgets--continued

State review and approval.--Any school district whose proposed reimbursable expenditure per pupil in average daily membership in the general fund exceeds the adjusted State average expenditure per pupil in average daily membership shall have its budget submitted to the School Budget Review Committee for review and examination. The Committee can recommend against a proposed increase. If the district nevertheless maintains its proposed budget beyond a percent of allowable growth it shall be limited to the reimbursable expenditures per pupil in average daily membership as allowed by the School Budget Review Committee.

Provisions for School Au

School audits are re
are made by the State Au
auditors approved by him,
dits is charged to the l
required in any nonhigh
Public Instruction, the
payers. If the school b
be made either by an exa
registered and certified

a

hool district whose proposed reimbursable
membership in the general fund exceeds the
pupil in average daily membership shall
Budget Review Committee for review and
nd against a proposed increase. If the
posed budget beyond a percent of allowable
ursable expenditures per pupil in average
ol Budget Review Committee.

Provisions for School Audits

School audits are required each year for all high school districts. Audits are made by the State Auditor, or by registered or certified accountants or auditors approved by him, at the option of the district. The cost of these audits is charged to the local school system involved. However, an audit may be required in any nonhigh school district by petition of the State Department of Public Instruction, the county superintendent, or 5 percent of the local taxpayers. If the school board in such a system decides to have an audit, it may be made either by an examiner from the State Auditor's office or by a public registered and certified accountant in Iowa.

KANSAS

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

KANSAS PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Fay Kampschroeder, Director of Finance, Kansas State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 35 percent of the nonfederal revenue for public elementary and secondary schools, and community junior colleges, including only State grants and county and local revenue receipts was provided by the State in 1967-68.
2. About 98.9 percent of the State grants money, including 7 percent from drivers' license fees, is derived from State taxes earmarked for the public schools; 1.3 percent is from the earned income of permanent school endowments; and .2 percent is appropriated from general revenue receipts.
3. Approximately 95 percent of the State funds allotted for the public elementary and secondary schools and community junior colleges is provided for general program support through 3 separate distributions. These include: a foundation program, 86.4 percent; a property tax reduction apportionment, 6.6 percent; and a special education fund, 2.2 percent.
4. Under the State school foundation program a State-shared guarantee is determined for each district. This guarantee is based on the number, training, and experience of the certificated employees in the district. The State-shared guarantee is financed by Federal, State, county, and district revenue.
5. A State allowance for pupil transportation is based on a density factor and the cost per pupil transported.
6. About 5 percent of State public school support is apportioned through 4 separate distributions including driver training, junior colleges, vocational education, and the annual school fund.

LOCAL SUPPORT

1. County and local district revenue for the public schools is obtained almost exclusively from property taxes.
2. County revenue for schools from sources other than property taxes include small amounts from fines, forfeitures, sales of estrays, etc.
3. Each county levies an amount equivalent to 10 mills on its adjusted valuation. The proceeds of this tax are distributed to the districts either on a per resident pupil share and a per certificated employee basis or on a per certificated employee basis for districts located entirely in one county.
4. County taxes for school support include 3 to 5 mills which may be levied for community junior colleges.
5. There is no local district tax levy limitation, except that no district shall budget or expend for operating expense per pupil more than 104 percent of the amount legally budgeted for operating expense per pupil in the preceding school year, unless the School Budget Review Board authorizes a district to exceed the 104 percent limit. Community junior colleges are authorized a levy as follows: Less than $60,000,000 value limit - 5 mills; and more than $60,000,000 value limit - 3 mills. In Montgomery County where there are two community junior colleges, the levy limit is 7 mills.
6. School district debt is limited to 6, 7, or 10 percent of the assessed valuation of the district, but may be increased 100 percent by special approval.
7. Taxes for debt service are outside of specified tax rate limits.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares the calculated State pr
Total	$105,796,950 (100.0%)	
STATE SCHOOL FOUNDATION FUND (KSA 1965 Supp. 72-7001 through 72-7024 and acts supplemental thereto and amendatory thereof.)	$ 91,400,000 (86.4%)	
Current operating expenses, Grades K-12..................	$760 multiplied by the sum of the total college hours of all certificated employees divided by 30, plus the total years' experience of all certificated employees multiplied by .2. Maximum college hours counted are 210 for any one employee; maximum years of experience counted are 15. The above result is further multiplied by a pupil-teacher ratio factor which reduces the allowance if the pupil-teacher ratio falls below 14 for a district with only one high school, no elementary school with fewer than 4 certificated employees, and less than 1,000 pupils; other districts, 15 for fewer than 1,000 pupils; 16 for 1,000-1,999 pupils; 17 for 2,000-2,999 pupils; 18 for 3,000-3,999 pupils; 19 for 4,000-4,999 pupils, and 20 for 10,000 or more pupils.	State share.--The State-s minus local ability and n is the State share. Local share.--Local abili by a county economic inde follows: Percent of State-adjusted valuation in the county (average of previous two years.) + 2 = Economic Index of Count The total share of all th State is 10 mills times t tion of all the counties. dex times the share of al divided by the number of ployees in the county, is ity per employee. Each d is the number of certific times the county ability This quotient plus the no of the district equals th tribution. The district the State-shared guarante trict's State-aid entitl Nondistrict revenues dedu State-shared guarantee in of estimated P.L. 874 fun for the current year; Sta State Annual School Fund; Fund; and intangible taxe districts. Each county levies an am mills on its adjusted val fund is distributed to th county either on a per re and a per certificated em a per certificated employ tricts located entirely i
Pupil transportation..........	Seventy percent of actual per pupil cost, or cost per pupil determined from the curve on a density cost graph drawn by the method of least squares, with a minimum of $32.	

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

stribution of State funds for the public schools and for program participation

, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and exten of school district participation and schedule for distributing State aid
. . . .	$105,796,950 (100.0%)		
ION FUND 001 through plemental thereto of.)	$ 91,400,000 (86.4%)		
ng expenses, ...	$760 multiplied by the sum of the total college hours of all certificated employees divided by 30, plus the total years' experience of all certificated employees multiplied by .2. Maximum college hours counted are 210 for any one employee; maximum years of experience counted are 15. The above result is further multiplied by a pupil-teacher ratio factor which reduces the allowance if the pupil-teacher ratio falls below 14 for a district with only one high school, no elementary school with fewer than 4 certificated employees, and less than 1,000 pupils; other districts, 15 for fewer than 1,000 pupils; 16 for 1,000-1,999 pupils; 17 for 2,000-2,999 pupils; 18 for 3,000-3,999 pupils; 19 for 4,000-4,999 pupils, and 20 for 10,000 or more pupils.	State share.--The State-shared guarantee, minus local ability and nondistrict revenue is the State share. Local share.--Local ability is determined by a county economic index computed as follows: $\frac{\text{Percent of State-adjusted valuation in the county (average of previous two years.)} + \text{Percent of State-taxable income in the county (average of two most recent years.)}}{2}$ = Economic Index of County. The total share of all the counties of the State is 10 mills times the adjusted valuation of all the counties. The county index times the share of all the counties, divided by the number of certificated employees in the county, is the county ability per employee. Each district's ability is the number of certificated employees times the county ability per employee. This quotient plus the nondistrict revenue of the district equals the district contribution. The district contribution minus the State-shared guarantee equals the district's State-aid entitlement. Nondistrict revenues deducted from the State-shared guarantee include 25 percent of estimated P.L. 874 funds to be received for the current year; State funds from the State Annual School Fund; County School Fund; and intangible taxes on industrial districts. Each county levies an amount equal to 10 mills on its adjusted valuation. The count fund is distributed to the districts in the county either on a per resident pupil share and a per certificated employee basis or on a per certificated employee basis for districts located entirely in one county.	Requirements for participation.--Schools must be accredited by the State Department of Public Instruction. Extent of participation.--336 school districts. Distribution.--Three times a year: December 20, February 20, and May 20.
ation..........	Seventy percent of actual per pupil cost or cost per pupil determined from the curve on a density cost graph drawn by the method of least squares, with a minimum of $32.		

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
LOCAL AD VALOREM TAX REDUCTION FUND (Secs. 79-2960, 79-2961, KSA, 1965 Supplement.)	$7,000,000 (6.6%)	
Grades, K-12.................... (nonrestricted)	Ad valorem taxes levied the previous year. $5.5 million of amount indicated goes directly to school districts and $1.90 million goes to intermediate units for county funds. Actual county receipts prior to distribution are based half on population and half on assessed valuation of taxable property.	State share--100 percent of calculated amount. Local share--None, but distributed amounts are directly related to local assessed valuations and tax rates in effect the previous school year.
SPECIAL EDUCATION FUND (Secs. 72-5344-9, 72-5351-9, 72-5361-8, and 72-5350-62, K.S.A.)	$2,308,950 (2.2%)	
Educable retarded ($1,008,000)..................	Children 6-21 years of age included in this program are also included in the foundation program; $2,500 per class of 8-15 pupils; half of expenditures for special instructional aids and equipment up to $25 per child; $100 per nonresident child in full-time attendance up to $800 per class; half of cost of transportation up to $150 for each nonresident pupil; and tuition charges for children from another district.	State share--100 percent of calculated amount. Local share--Balance of cost not reimbursed.
Other exceptional children ($1,185,950)..........	$2,500 per each of first 15 special teachers in a congressional district and first 4 such teachers in a single school district and $2,000 for each additional teacher; half cost of equipment up to $100 per pupil; half cost of transportation for nonresident pupils up to $150 per pupil; $100 per nonresident pupil to a mazimum, $2,400 total for cooperative regional programs; tuition allowance for children from other districts; and cost to teacher travel of 7 cents per mile.	
Homebound children ($115,000) .... * (5 hours per week)	$3,000 per full-time teacher for homebound children. Two dollars per hour* of instruction for part-time teachers; half expenditure for instructional aids and	

9--continued

Funds for the public schools and for program participation

t of State funds for school support, listrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$7,000,000 (6.6%) ment.)		
valorem taxes levied the previous r. $5.5 million of amount indicated directly to school districts and 30 million goes to intermediate units county funds. Actual county receipts or to distribution are based half on ulation and half on assessed valuation taxable property.	State share--100 percent of calculated amount. Local share--None, but distributed amounts are directly related to local assessed valuations and tax rates in effect the previous school year.	Requirements for participation--Each political subdivision must adopt and file a budget for the ensuing year; show a tax levy for fund for which property taxes are levied; and indicate the amount from this sales-tax distribution received into each of the local funds for which a property tax is levied. The tax levy for any property tax-levy fund must produce less than the amount which a maximum levy for the fund would produce, and this difference must be equal or in excess of the amount received from the sales tax distribution. Extent of participation--336 school districts. Distributed--Credited to each school's account upon filing of the school's budget and tax levy.
$2,308,950 (2.2%)		
ldren 6-21 years of age included in s program are also included in the ndation program; $2,500 per class of 5 pupils; half of expenditures for cial instructional aids and equipment to $25 per child; $100 per nonresident ld in full-time attendance up to $800 class; half of cost of transportan up to $150 for each nonresident pu- and tuition charges for children another district.	State share--100 percent of calculated amount. Local share--Balance of cost not reimbursed.	Requirements for participation--Employ certified teachers with approved preparation; organize special classes in accordance with regulations; and meet other requirements as specified. Extent of participation--Approximately 300 school districts. Distributed in June.
500 per each of first 15 special chers in a congressional district and st 4 such teachers in a single school trict and $2,000 for each additional cher; half cost of equipment up to) per pupil; half cost of transportan for nonresident pupils up to $150 pupil; $100 per nonresident pupil to aximum, $2,400 total for cooperative ional programs; tuition allowance for ldren from other districts; and cost eacher travel of 7 cents per mile.		
00 per full-time teacher for homed children. Two dollars per hour* of truction for part-time teachers; half nditure for instructional aids and		

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for support of the calculated State program allowance
SPECIAL EDUCATION FUND --Continued				
Homebound children --Continued	equipment up to $100 per pupil, teachers travel expense to 9 cents per mile and not more than $75 per pupil per year.			
COMMUNITY JUNIOR COLLEGE AID AND MATCHING FUNDS (Secs. 72-6901 to 72-6927, KSA,1965 Supplement.)		$2,333,000	(2.2%)	
Operating expense................	Eight dollars per credit hour earned by State resident pupils.			State share--100 percent of calculated amount. Local share--None.
ANNUAL SCHOOL FUND (Secs. 72-2301-7, 72-2128, 72-2144, 40-252, 59-902, 71-105, 75-2802, 75-2815-16, 79-6A04, 82A-204, 72-4807, KSA, and Art. 6, Secs. 3-6, and 9, Constitution.)		$1,700,000	(1.6%)	
Annual school fund..............	Percent of population 5-21 years of age, inclusive,residing in the district (approximately $2.30 per person 5-21)			State share--100 percent of calculated amount. Local share--None.
DRIVER TRAINING FUND (Driver education) (Secs. 8-267 and 8-272, KSA)		$ 675,000	(0.6%)	
Driver education.................	Percent of State pupils completing course in the district not to exceed amount expended for driver education.			State share--100 percent of calculated amount. Money for this program is derived from 50 percent of drivers' license fees and 25 percent of chauffers' license fees. Local share--None.
VOCATIONAL EDUCATION FUND (Secs. 72-4301-19 and 72-4302-14, KSA)		$ 380,000	(0.4%)	State share--Percent of approved expense. This allotment includes not only the amoun shown but would also include a Federal allotment for vocational education.
Vocational education.............	Amount of approved expense.			Local share--Balance of cost not reimburse

PUBLIC SCHOOL FINANCE PROGRAM

public schools and for program participation

ds for school support, wances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$100 per pupil, teachers' 9 cents per mile and per pupil per year. 2,333,000 (2.2%)		
credit hour earned by pils. 1,700,000 (1.6%)	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--Courses in instruction and facilities must be approved by the State Superintendent of Public Instruction. Extent of participation--17 junior college districts. Distributed December 1 and April 1.
tion 5-21 years of age, g in the district (ap- per person 5-21) 675,000 (0.6%)	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--Maintain an elementary school at least three months of the preceding school year. Extent of participation--344 school districts. Distributed February 15.
pupils completing trict not to exceed or driver education. 380,000 (0.4%)	State share--100 percent of calculated amount. Money for this program is derived from 50 percent of drivers' license fees and 25 percent of chauffers' license fees. Local share--None.	Requirements for participation--Courses in accredited high schools must be approved and must meet other requirements and standards. Extent of distribution--348 school districts. Distributed October 1.
d expense.	State share--Percent of approved expense. This allotment includes not only the amount shown but would also include a Federal allotment for vocational education. Local share--Balance of cost not reimbursed	Requirements for participation--Schools and classes must be approved by the State Board of Vocational Education. Extent of participation--231 school districts. Distributed in January and June.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--The elected county clerk is designated by law to act as an assessor except in those areas having a separately elected assessor. Generally, however, the county clerk is the assessing official. An appointive county assessor system may be adopted if 20 percent of the qualified electors file a petition to that effect.

The board of county commissioners of each county constitutes a county board of equalization, and the county clerk is the clerk of the board. The county board thus constituted or a majority of the members thereof, makes such changes in the assessment of property as are necessary in order to secure an equalized countywide assessment of all property.

The Department of Property Valuation has general supervision over the administration of the assessment and tax laws of the State, over the township and city assessors, boards of county commissioners, county boards of equalization, and all other boards of levy and assessment. In particular, this Department is required to devise and prescribe uniform assessment forms and records along with related materials and provide for their administration; render all assistance possible toward uniform assessments within the counties and throughout the State; and compile assessment ratio data.

The Board of Tax Appeals, a 3-member board, members of which are appointed for 4-year terms by the Governor, reviews assessments and hears appeals relative to assessment valuations set by the Department of Property Valuation and county assessing officials. The Board of Tax Appeals does not determine assessment ratios in counties or school districts, but does constitute a State Board of Equalization which equalizes the valuation and assessment of property throughout the State and has power to equalize the assessment of all property in the State between persons, firms, or corporations of the same assessment district, between cities and townships of the same county, and between the different counties of the State.

Intermediate districts.--County clerks are authorized by statute to levy a county tax which will raise an amount equivalent to 10 mills on the county's adjusted valuation. The revenue from the county tax is distributed to the schools located in the county on a per certificated employee and resident pupil basis.

Local districts.--The 1965 legislature repealed all tax limitations on school districts and established a control on budgets. The 1965 law provides that no school district of any kind shall budget or expend for operating expense more than 104 percent of the amount legally budgeted per pupil for such purpose in the preceding school year. Under certain circumstances this amount may be increased by the School Budget Review Board, comprised of the State Superintendent of Public Instruction (a member of the State Board of Education after January 14, 1969), the State Budget Director, and the State Comptroller.

Provisions for School Indebtedness

Initiating bond issues.--Bond issues may be initiated by the school board by adopting and publishing a resolution which would call for a bond election on a
certain date and for a specified amount of money. Like
may petition the school board to call an election for a
vision is not applicable to unified districts). Indebt
to purchase or improve school sites and to construct, e
pair, remodel, or make additions to buildings.

Limitations on issuance of bonds.--Kansas school b
period not to exceed 20 years and shall be retired in a
amounts, depending upon the number of years for which t
run. The district school board will decide as to the l
Bonds are retired serially and are not callable.

Limitations on debt.--Kansas has a bond limitatio
which places the maximum at 6 percent of the assessed v
2d-class cities. Common school districts, rural high s
unified high school districts may issue up to 7 percent
valuation. Also, special laws provide a 10 percent lim
Wyandotte Counties. All school district boards may mak
School Fund Commission for permission to exceed these l

Voting requirements.--In all instances, bonds are
of the district. All persons of 21 years of age and ov
on a bond issue, providing that the voter has resided
and within the State 6 months. A majority of those vot
is required for bond issue approval. There is one exce
Due to unforeseen emergencies, the State Superintenden
may authorize the school board to issue up to $5,000 w
board may make another request for an additional $5,00
should be insufficient. In unified districts the amou
after 30 days.

Approval and sale of bonds.--School bond issues a
by the Attorney General who checks the bond transcript
State Auditor and the Kansas School Fund Commission th
provable. The Kansas School Fund Commission is made
Attorney General, Secretary of State, and State Superi
tion (a member of the State Board of Education after J

All school bonds, as well as municipal bonds, mus
School Fund Commission for purchase. If the Commissio
chase bonds, the issue is rejected and the bond broker
then purchase the bond issue from the school district.
their bonds by competitive bid or through private sale
be made on competitive bid if the issue is for an amou
Bonds can be sold on a "yield" as well as a fixed inte
been sold and immediate use of the money is not requir
invested in direct obligations of the U.S. Government
able without loss of principal within 1 year from the
temporary notes of the school district.

Bond records, tax levies, and payments.--All tax
of bonds are outside the aggregate tax levy limits.

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certain date and for a specified amount of money. Likewise, school patrons may petition the school board to call an election for a bond issue. (Provision is not applicable to unified districts). Indebtedness may be created to purchase or improve school sites and to construct, equip, furnish, repair, remodel, or make additions to buildings.

Limitations on issuance of bonds.--Kansas school bonds are issued for a period not to exceed 20 years and shall be retired in approximately equal amounts, depending upon the number of years for which the bond issue is to run. The district school board will decide as to the length of term for bonds. Bonds are retired serially and are not callable.

Limitations on debt.--Kansas has a bond limitation law, set by statute, which places the maximum at 6 percent of the assessed valuation for 1st- and 2d-class cities. Common school districts, rural high school districts, and unified high school districts may issue up to 7 percent of their assessed valuation. Also, special laws provide a 10 percent limit for Johnson and Wyandotte Counties. All school district boards may make application to the School Fund Commission for permission to exceed these limitations.

Voting requirements.--In all instances, bonds are authorized by the voters of the district. All persons of 21 years of age and over are eligible to vote on a bond issue, providing that the voter has resided in the district 30 days and within the State 6 months. A majority of those voting upon the proposition is required for bond issue approval. There is one exception to this procedure. Due to unforeseen emergencies, the State Superintendent of Public Instruction may authorize the school board to issue up to $5,000 worth of bonds and the board may make another request for an additional $5,000 issue if the first $5,000 should be insufficient. In unified districts the amount is $10,000, plus $10,000 after 30 days.

Approval and sale of bonds.--School bond issues are approved after election by the Attorney General who checks the bond transcript and certifies to the State Auditor and the Kansas School Fund Commission that the bond issue is approvable. The Kansas School Fund Commission is made up of three State officials: Attorney General, Secretary of State, and State Superintendent of Public Instruction (a member of the State Board of Education after January 14, 1969).

All school bonds, as well as municipal bonds, must be submitted to the School Fund Commission for purchase. If the Commission has no money to purchase bonds, the issue is rejected and the bond broker or some individual will then purchase the bond issue from the school district. School boards sell their bonds by competitive bid or through private sale. The sale of bonds must be made on competitive bid if the issue is for an amount in excess of $100,000. Bonds can be sold on a "yield" as well as a fixed interest basis. If bonds have been sold and immediate use of the money is not required, this money may be invested in direct obligations of the U.S. Government which mature or are redeemable without loss of principal within 1 year from the date of purchase, or in temporary notes of the school district.

Bond records, tax levies, and payments.--All tax levies for the retirement of bonds are outside the aggregate tax levy limits.

Provisions for School Indebtedness -- Continued

The clerk or secretary of schools issuing bonds must record all bonds issued by the school in a bond register. When the bonds and coupons are returned, after having been paid, the fact of payment is noted on the register. All school bonds, except those issued by boards of education, must be registered by the county clerk.

For bonds issued by common school and rural high school districts, the board of county commissioners levies tax for interest and debt retirement. The county treasurer maintains a fund for bond interest and retirement for each such district and makes the payments on bonds as due.

The school treasurer is authorized and directed to remit to the State Fiscal Agent, at least 20 days before the day of maturity of any bonds or coupons payable to the State Treasurer, sufficient monies for the redemption of such bonds or coupons.

Short-term indebtedness.--A school district may issue emergency warrants to be liquidated through special levy the following year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Standard budget forms are prepared and prescribed by the director of post audits. A sufficient quantity of these forms is provided the county superintendent, by the director of property valuations, who transmits the necessary number of copies to the clerks of the boards of education and to the school boards. The fiscal year starts July 1 and ends June 30, except for Kansas City and Topeka, which have a fiscal year of January 1 to December 31.

Local approval.--
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Provisions for School

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d ends June 30, except for Kansas
uary 1 to December 31.

Local approval.--Responsibility for preparing the proposed budget rests with the district's governing body, the board of education. Boards of education and community high school boards meet and prepare the budgets on or before August 1. Budgets of common school districts and rural high school districts must be posted with the notice of the annual meeting. The budget of a common school district or rural high school district is adopted by the electors at the annual meeting.

Annual budget meeting dates are, for common school districts, the first Friday in June, and for rural high school districts, the Thursday preceding the first Friday in June. The clerk of the school district transmits certified copies of the budget to the county clerk, to the director of post audits, and to the State Superintendent of Public Instruction. The county clerk will reduce the budget when the State Superintendent directs him that the budget has exceeded legal limits. The county clerk determines the tax levy according to the need as shown by the budget. Unified district boards determine their own district tax levies.

State review or approval.--The law provides for filing budgets with the Director of Post Audits on or before August 25. The State Superintendent reviews the budget computation and is required to reduce State aid if a district exceeds its legal maximum budget limitation.

Provisions for School Audits

Schools are not required to have annual audits. A copy of each audit report is filed with the auditor of State, Superintendent of Public Instruction, and one with the county attorney in which the school district is situated.

KENTUCKY

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

KENTUCKY PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Joe M. Alsip, Director of Finance, Kentucky State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 58 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.

2. Except for less than a half of 1 percent of the State support money for schools, which is derived from the earned income of permanent school endowments, all State funds distributed to school districts is provided through legislative appropriation.

3. Almost 99 percent of the State program for public school support is distributed through the Foundation Program Fund.

4. Foundation program support includes allowances for instructional salaries, special education, vocational education, administration, and supervision. Annual salary allowances for teachers range from $2,600 to $6,900 for the regular school term. The amount for a beginning teacher with a bachelor's degree is $5,150. In addition to the salary allowances, $1,100 per teacher unit is added for current expense other than pupil transportation and salaries; $700 per teacher unit is added for capital outlay; and an amount is added for pupil transportation.

LOCAL SUPPORT

1. Local revenue for public elementary and secondary schools is obtained through a combination of property and nonproperty tax sources.

2. Taxes on real estate account for about 78 percent of the local revenue receipts. The balance of 22 percent is derived through taxes on franchise corporations, whiskey withdrawals from warehouses, and bank shares, plus a poll tax on male citizens.

3. Required local tax support for participation in the foundation program is equal to 3.3 mills, based on the equalized assessment of taxable real property.

4. The assessment of real and tangible property has been changed from a partial assessment to full value assessment by order of the State Court of Appeals. For the 1966-67 and 1967-68 school years, the tax rates have been reduced to provide a maximum 10 percent increase of revenue over the 1965-66 year. The tax rates authorized by voter approval have been reduced to a compensating rate on the new assessment.

5. School district indebtedness is limited to 2 percent of the local assessed valuation. However, there is no limit to the amount of revenue or holding company bonds which may be issued.

6. Taxes for debt service and for payments of rent to school building authorities may be levied as necessary without specified limit.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for sup the calculated State program al
Total	$185,212,745	(100.0%)	
FOUNDATION PROGRAM FUND (Secs. 157.310 to 157.990, KRS as amended, enacted in 1954.)	$182,612,[illegible]5	(98.6%)	

Current expense and capital outlay, grades 1-12............. Instructional salary allotment, based on both training and experience. A school district cannot pay any teacher less than 95 percent of the legislatively scheduled amount.

Training	Experience (Years)		
	0-3	4-9	10 and over
M.A. plus 30 hours	$5,950	$6,550	$6,900
M.A.	5,550	6,150	6,500
B.A.	5,150	5,750	6,100
96-128 hours	2,900	2,900	2,900
64-95 hours	2,600	2,600	2,600

Unit allowance for each approved, certified, and qualified teacher employed at State-approved schools.

One basic teacher unit allowed for each 27 pupils in ADA the previous school year; 1 basic teacher unit per isolated 1-teacher school; and 1 unit for each 25 pupils in isolated schools with an ADA fewer than 100 the previous school year.

Vocational and special education teachers.............. Additional special teacher units allowed for approved positions if such teachers are employed.

Superintendents, principals, certified assistants, and other instructional personnel.......... One unit for each 8-teacher unit as indicated above.

Supervisors of instruction....... .5 unit for the first 25-49 basic and special teacher units; 1 unit if 50-150 teacher units; and 1 additional unit for each additional 100 teacher units.

Directors of pupil personnel..... Proportionate fraction of unit allowed for below 36 basic teacher units allotted. One unit for 36-166 and 1 additional unit for each additional 266 or fraction thereof basic teacher units.

State share.--Calculated amount mi
required local contribution.

Each district is guaranteed to rec
least $159 per pupil in ADA, or at
as much per pupil as was allotted
1965-66.

Local share.--3.3-mill tax on equa
assessment of property subject to
P.L. 874 receipts are not added to
tax money in establishing the loca
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PUBLIC SCHOOL FINANCE PROGRAM

68-69

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trict allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
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rtionate fraction of unit allowed elow 36 basic teacher units allot- One unit for 36-166 and 1 addi- l unit for each additional 266 or ion thereof basic teacher units.</td>
<td>State share.--Calculated amount minus a required local contribution.

Each district is guaranteed to receive at least $159 per pupil in ADA, or at least as much per pupil as was allotted in 1965-66.

Local share.--3.3-mill tax on equalized assessment of property subject to taxation. P.L. 874 receipts are not added to the local tax money in establishing the local share of foundation program support. ($57,423,024)</td>
<td>Requirements for participation.--Operate schools; employ and compensate teachers for at least 9.25 scholastic months as per State salary schedule.

Extent of participation.--All 198 school districts in the State.

Distributed monthly, with early distribution based on preliminary calculation and amounts after March 1, based on final adjusted figures.</td></tr>
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KENTUCKY

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requ dis
FOUNDATION PROGRAM FUND--Continued			
Increased attendance.............	Teacher-unit allowance increased in proportion to increase in ADA for the first 2 months of the current year compared with a similar period for the preceding school year.		
Extended term....................	Salary allowances increased in proportion to the period of extended employment for approved positions.		
Current expense other than salaries and pupil transportation...........................	$ 1,100 per teacher unit.		
Pupil transportation.............	Average per pupil per day cost of transportation for comparable districts according to no less than 9 density groups. Cost figures separately established for county and independent school districts, but allowance for independent school district is not to exceed minimum allowance for any county.		
Capital outlay...................	$700 per teacher unit.		
Services for pupils enrolled in nonprofit private schools.....	Pupils enrolled either full or part time in such private schools are not counted in determining the amount of the State program and do not participate in public school programs.		
FREE TEXTBOOK FUND (Secs. 157.100 to 157.190, KRS first established in 1934.)	$ 2,600,000 (1.4%)		
Free textbooks.................... (grades 1-8)	Amount per public school pupil in average daily membership in grades 1-8.	State share.--100 percent of calculated amount. State buys and distributes books for use but retains ownership. Local share.--None.	Requ tric and to b book Exte dis Dist the uis

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s for school support, nces	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
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2,600,000 (1.4%)		
school pupil in aver- ip in grades 1-8.	State share.--100 percent of calculated amount. State buys and distributes books for use but retains ownership. Local share.--None.	Requirements for participation.--Districts must report school membership and submit requisitions for textbooks to be used in grades 1-8. Basic textbooks must be purchased first. Extent of participation.--All 198 school districts. Distributed.--Books are purchased after the beginning of the school year as requisitioned.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Assessed valuations are established by elected county assessors or appointed city assessors, but can be changed by county commissioners or similar officials. The State Tax Commission has authority to equalize assessments, after proper review among the counties and cities, and conduct assessment ratio studies to determine variations in the level of assessment among the State's taxing districts. The assessment of real and tangible property has been changed from partial assessment to full value assessment by order of The Court of Appeals of Kentucky.

Intermediate districts.--None.

Local districts.--For the 1966-67 and 1967-68 school years, the tax rates have been reduced to provide a maximum 10 percent increase of revenue over the 1965-66 year. The additional tax rates authorized by voter approval have been reduced to a compensating rate on the new 100 percent assessment.

Provisions for School Indebtedness

Initiating bond issues.--A proposal for a vote on a school bond issue is initiated by the board of education. Proceeds of the issue may be used to enlarge sites; purchase new sites; improve, remodel, or restore school buildings; and to erect or equip new school buildings.

Limitations on issuance of bonds.--School bonds may be either the sinking fund or serial bond type and may be issued for 40 years. Approval of another local agency is not required.

Limitations on debt.--Limitations on State indebtedness are provided in the statutes. Debt obligations may go only as high as 2 percent of the local assessed valuation. No State agency has authority to fix the debt limit or to approve a higher limit in special cases. However, revenue or holding company bonds may be issued by the tax-levying authority for the benefit of the board of education on the approval of the State Department of Education. Interest is paid and bonds are retired by the use of rentals paid by the board of education for the use of the building. A very careful financial study is made by the State Department of Education to determine the district's financial ability to retire the bonds before they are approved. No vote of the people is required for holding company bonds and there is no legal limit to the amount.

Voting requirements.--All qualified voters may vote in bond elections and a two-thirds majority of those voting on the question is required to authorize the issue.

Approval and sale of bonds.--All bonds must be approved by the State Department of Education, either before or after the election. Bonds are usually sold on a yield basis but may also be sold at a fixed rate. The State does not assist with the sale, and it is not necessary to offer bonds to a State agency first. Funds from bond sales may be invested if their immediate use is not required.

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PUBLIC SCHOOL FINANCE PROGRAM

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bonds.--All bonds must be approved by the State Depart-
before or after the election. Bonds are usually sold
lso be sold at a fixed rate. The State does not assist
ot necessary to offer bonds to a State agency first.
be invested if their immediate use is not required.

Bond records, tax levies, and payments.--When boards of education issue bonds which have been approved by a vote of the people, the tax necessary for the retirement of these bonds is a special tax authorized over and above that for the current program. Bond and retirement records are handled by the school board. The special tax is collected by the regular tax collector and the proceeds turned over to the board of education which, in turn, calls the bonds for retirement.

Short-term indebtedness.--Boards of education are authorized to borrow up to 75 percent of the anticipated revenues for the current year. However, such loans must be retired during the fiscal year in which they are made.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Each school district, under its superintendent, prepares its budget on forms prescribed by the State Board of Education. No public hearing or advertising is required. The school fiscal year in all systems, except some of the second-class cities, begins on July 1. Since city governments in first- and second-class cities are permitted to operate on a fiscal year beginning January 1, the levy for some of the boards of education in second-class cities is made for the fiscal year beginning January 1. The State fiscal year begins on July 1.

Local approval.--The board of education is required to submit its budget to the fiscal court, the county commission, the city council, or the city commission, as the case may be, by July 1 in order that the tax levy may be made. However, if it is not submitted before July 1, a levy made after July 1 is not invalidated. The tax-levying authority has no real power over the budget and must make the levy if it cannot show that the levy is higher than needed to produce the revenue required.

State review or approval.--All districts must submit budgets to the State Board of Education for approval. The working budget must be submitted by September 15, and must meet requirements of the law regarding amounts for teachers' salaries and debt service, and show the revenue available to meet anticipated current expenditures.

Provisions for School Audits

The boards of education in all school districts are audited annually by certified public accountants selected by the local boards of education from the Register of Practicing Public Accountants in the State. The auditor selected by the local board is approved by the State Committee for School District Audits. The State pays one-half the cost of the audit and the local board one-half.

LOUISIANA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

LOUISIANA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Normand H. Edwards, Acting Director, Administration and Research, and Ethel Bailey, Accountant, Louisiana State Department of Education, served as State authorities for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 68 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and not parish (county) and city revenue receipts, is provided by the State.

2. State money distributed to school systems is derived principally from taxes earmarked for school support. These taxes account for nearly 66 percent of the total State apportionment to school systems. Except for a very small amount of revenue derived from permanent endowment fund earnings, the balance of State support is from legislative appropriation.

3. Over 81 percent of the State grant money is distributed through the Public School Fund--Equalization Aid Portion. This program provides allowances for instructional staff salaries, transportation expenses, and $43 per pupil in average daily membership (ADM) for other current expenses.

4. The State salary schedule used for 1968-69 for the foundation program provides $4,400 and $4,600 minimums and $6,600 and $7,500 maximums, respectively, for teachers with bachelor's and master's degrees.

5. State support in the amount of 14.0 percent comes from 3 funds: Employers' Contribution Retirement Systems Fund, 7.9 percent; School Lunch Fund, 3.9 percent; and the Public School Fund--Per Educable Portion, 2.3 percent.

NOTE: The Louisiana Legislature is supposed to be convened in Special Session on November 10, 1968, to increase taxes and appropriate funds for Elementary and Secondary Schools. Approximately $31,184,132 is being requested in additional appropriations.

LOCAL SUPPORT

1. Parish (county) and city revenue for the public schools is obtained from both property taxes and from other sources with about 65 percent derived from property taxes.

2. Other sources which provide revenue for the public schools include court fines and forfeitures; income from rent, leases, and royalties on school lands; contributions; sales tax collections; special transfers from police jury; interest and premiums on temporary investments; and other miscellaneous sources. Amounts for school lunches are not included.

3. Local support for participation in the State foundation program includes 5 mills on the locally assessed valuation of taxable property, plus amounts received from severance tax receipts, half of the rental or lease income of school land, and per educable apportionments from the State Public School Fund.

4. Parish (county) boards of education may levy as much as 5 mills on 100 percent of the local assessed valuation of taxable property without electoral approval. The Orleans Parish School Board (City of New Orleans) levies 13 mills. An additional 7 mills for current operation may be voted by a majority of the property holders voting, based both on the number of such voters participating and the assessed value of the land represented. Also 7 mills may be voted in the same manner for maintenance purposes.

5. Additional local taxes up to 5 mills may be voted for the purpose of constructing or improving school buildings. This authorized levy is outside of provisions for debt service.

6. School bonds may be issued up to 25 percent of the local assessed valuation of taxable real property.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for the calculated State progra
TOTAL	$319,854,357	(100.0%)	
PUBLIC SCHOOL FUND--Equalization Aid Portion. (Current expense, grades K-12)	$262,526,075	(82.1%)	State share.--Calculated amoun quired Local Share equals Rece Public School Fund per Educabl Local share.--5-mill property local assessed valuation, seve receipts, and 50 percent of in rent on lease of school land.

Instructional staff:
Salary allowance.............. Scheduled amount per allotted teacher employed:

College preparation or degree	Salary allowance in relation to teaching experience Range		Number of years to reach maximum
2 years	$2,400	$4,500	11
3 years	2,800	5,000	11
B.A.	4,400	6,600	11
M.A.	4,600	7,500	12
M.A. + 30 hrs.	4,600	8,200	13
Ph.D.	5,300	8,700	13

Teacher units:

Elementary schools or departments over 351 ADM.......	1 unit per each 30 pupils in ADM. (State Board of Education considering lowering ratio to 1-29 if additional funds are appropriated.)
Elementary schools or departments under 351 ADM......	1-30 ADM, 1 unit; 31-53, 2 units; 54-78, 3 units; 79-105, 4 units; 106-134, 5 units; 135-165, 6 units; 166-198, 7 units; 199-233, 8 units; 234-270, 9 units; 271-309, 10 units; and 310-350 ADM, 11 units.
High schools or departments over 438 ADM..................	1 unit per each 25 pupils in ADM.
High schools or departments under 438 ADM.................	1-22 ADM, 1 unit; 23-37, 2 units; 38-52, 3 units; 53-71, 4 units; 72-93, 5 units; 94-116, 6 units; 117-142, 7 units; 143-161, 8 units; 162-189, 9 units; 190-209, 10 units; 210-240, 11 units; 241-262, 12 units; 263-283, 13 units; 284-318, 14 units; 319-356, 15 units; 357-395, 16 units; 396-437 ADM, 17 units.
Grades 7-8.....................	Units for grades 7-8 are calculated as high school units unless these grades are part of an elementary school.
Principals.....................	1 unit if 7-teacher units; a second uni if there are 15 or more teacher units.

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

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for the public schools and for program participation

tate funds for school support, ct allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$319,854,357 (100.0%) $262,526,075 (82.1%) amount per allotted teacher Salary allowance in relation to teaching experience — Range — Number of years to reach maximum $2,400 $4,500 11 2,800 5,000 11 4,400 6,600 11 4,600 7,500 12 4,600 8,200 13 5,300 8,700 13 r each 30 pupils in ADM. oard of Education considering ratio to 1-29 if additional appropriated.) , 1 unit; 31-53, 2 units; 54-78 79-105, 4 units; 106-134, 5 35-165, 6 units; 166-198, 7 99-233, 8 units; 234-270, 9 71-309, 10 units; and 310-350 units. r each 25 pupils in ADM. , 1 unit; 23-37, 2 units; 38-52 53-71, 4 units; 72-93, 5 units units; 117-142, 7 units; 143- its; 162-189, 9 units; 190-209 ; 210-240, 11 units; 241-262, ; 263-283, 13 units; 284-318, ; 319-356, 15 units; 357-395, ; 396-437 ADM, 17 units. r grades 7-8 are calculated as ool units unless these grades of an elementary school. 7-teacher units; a second uni are 15 or more teacher units.	State share.--Calculated amount minus Required Local Share equals Receipts from Public School Fund per Educable Portion. Local share.--5-mill property tax based on local assessed valuation, severance tax receipts, and 50 percent of income from rent on lease of school land.	Requirements for participation.--Meet program requirements and regulations as specified by Statute and by the State Board of Education. Extent of participation.--All 66 school systems in the State. Distributed.--In 12 equal monthly installments.

LOUISIANA

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirem distric for
Teacher units--continued			
Enrichment teachers................ (Vocational and Specialized teacher allotment now combined.)	1 unit for high schools, 51-75 pupils; 2 units for high schools, 76-150 pupils; 2 additional units for each additional 300 pupils.		
Special education teachers.........	The allotment of teachers is in addition to the allotment of teachers in the regular classroom and is based on the following minimum-maximum pupils per teacher or therapist: 1) Slow learners, 1 teacher, 12-18 pupils; 2) Educable mentally retarded, 1 teacher, 10-15 pupils; 3) Trainable Mentally retarded, 1 teacher, 8-12 pupils; 4) Deaf or hard-of-hearing, 1 teacher, 8-10 pupils; 5) Blind or partially sighted, 1 teacher, 8-10 pupils; 6) Speech impaired, therapist, 100; 7) Cerebral palsied, 1 teacher, 8-10 pupils; 8) Emotionally disturbed, 1 teacher 8-10 pupils; and 9) Others, as determined by regulations of the State Board of Education. When there are fewer than the minimum number of pupils per teacher as specified above, but not fewer than five (5) pupils per teacher, then the State allotment for the approved teacher shall be reduced 1/10 for each pupil less than the specified minimum. The amount of the reduced State allotment shall be paid the teacher from local school board funds.		
Supervisors.........................	$10,000 for each allotted position filled: 1 position for 40 teacher units; 2 for 150 teacher units or fraction thereof; and an additional position for each 150 additional teacher units.		
Visiting teachers..................	One is allotted for each 15,000 educable children in a school system.		
Pupil transportation................	$1,980 to $2,640 per bus driver-operator salary, plus an allowance for bus operating costs.		
Other current expense..............	$43 per pupil in ADM.		

for the public schools and for program participation

tate funds for school support, ct allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
r high schools, 51-75 pupils; or high schools, 76-150 pup- ditional units for each addi- 0 pupils.		
ment of teachers is in additio lotment of teachers in the reg- sroom and is based on the fol- nimum-maximum pupils per teach- rapist: earners, 1 teacher, 12-18 pu- Educable mentally retarded, 1 10-15 pupils; 3) Trainable Men- arded, 1 teacher, 8-12 pupils; r hard-of-hearing, 1 teacher, ls; 5) Blind or partially 1 teacher, 8-10 pupils; 6) paired, therapist, 100; 7) palsied, 1 teacher, 8-10 pup- motionally disturbed, 1 teache ls; and 9) Others, as deter- regulations of the State Board ion.		
e are fewer than the minimum pupils per teacher as speci- e, but not fewer than five (5) r teacher, then the State allot- the approved teacher shall be /10 for each pupil less than fied minimum. The amount of ed State allotment shall be teacher from local school ds.		
or each allotted position fill- ition for 40 teacher units; teacher units or fraction and an additional position for additional teacher units.		
lotted for each 15,000 educable in a school system.		
$2,640 per bus driver-operator lus an allowance for bus opera- s.		
upil in ADM.		

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares f the calculated State prog
EMPLOYERS' CONTRIBUTION RETIREMENT SYSTEM FUND (Title 17, Secs. 696 and 984; Revised Statutes of 1950)	$25,500,000 (7.9%)	
Employers' Contribution Retirement Systems Fund...............	Percentage of salary amount paid.	State share.--100 percent o amount. Local share.--None, but loca make payment to receive thi amount.
SCHOOL LUNCH FUND (Title 17, Secs. 191-199, La. revised Statutes of 1950.)	$ 12,352,694 (3.9%)	
School lunch fund...............	$.09 per type A meal served with milk. $.05 per type A meal served without milk. These rates are guaranteed.	State share.--100 percent o amount. Local share.--None, but dist spent program amounts to re bursement.
PUBLIC SCHOOL FUND--Per Educable Portion (Sec. 14, Art. XII of the Constitution.)	$ 7,500,000 (2.3%)	
Nonrestricted use, grades K-12...	Amount per school-age child 6-18 years of age, inclusive.	State share.--100 percent o amount. Local share.--None.

PUBLIC SCHOOL FINANCE PROGRAM

RT, 1968-69

tate funds for the public schools and for program participation

rcent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$25,500,000 (7.9%)		
Percentage of salary amount paid.	State share.--100 percent of calculated amount. Local share.--None, but local district must make payment to receive this reimbursable amount.	Requirements for participating.--Employers of teachers, bus operators, janitors, and school custodians must pay into the retirement funds certain percentages of the salaries paid. Extent of participation.--All 66 school systems. Distributed.--Annually.
$ 12,352,694 (3.9%)		
$.09 per type A meal served with milk. $.05 per type A meal served without milk. These rates are guaranteed.	State share.--100 percent of calculated amount. Local share.--None, but district must have spent program amounts to receive its reimbursement.	Requirements for participating.--Schools must provide a school lunch program which meets standards prescribed by the State Board of Education. Extent of participation.--All 66 school systems. Distributed.--Monthly.
on $ 7,500,000 (2.3%) .)		
Amount per school-age child 6-18 years of age, inclusive.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participating.--Maintain a continuing census and certify as of January 1 of each year the number of educable children 6-18 years of age, inclusive. Extent of participation.--All 66 school systems. Distributed.--In 12 monthly installments.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements f district part for distr
TEXTBOOKS AND SUPPLIES FUND (Title 17, Sec. 351, Louisiana revised Statutes of 1950.)	$ 7,876,297 (2.5%)		
Textbooks and Supplies Fund......	Amount per pupil enrolled in public, private, and parochial schools.	State share--100 percent of calculated amount. Local share--None.	Requirements f lic, private, tems must repo submit requisi Extent of part systems. Distributed as purchases item tioned.
CRIPPLED AND EXCEPTIONAL CHILDREN'S PROGRAM FUND (Title 17, Louisiana revised Statutes of 1950 as amended and Act 561 of 1960)	$ 1,692,493 (0.5%)		
	Amount of approved expense.		
Salaries of Teachers............	Salary schedule not to exceed $3400 per class.	State share--100 percent of approved expense to specified maximum. Local share--All costs not covered by reimbursement.	Requirements f for the educat capped, excepti children must by the State B Extent of part systems. Distributed on reimbursement
Home-bound children:			
Mentally handicapped...........	$250 per child.		
Physically handicapped.........	$400 per child.		
Attendance trainable classes...	$900 per class.		
School-home-telephone..........	$250 per unit.		
Speech-correctionist...........	State salary schedule not to exceed $6000 for nine months.		
Tuition where necessary........	Actual charge to $30 per month for day school and $60 per month for residential pupils.		
Teacher training for teachers of mentally retarded...........	$500 per teacher-trainer.		
College projects for special education.............	Up to $10,500 per each area State college.		
REGULAR VOCATIONAL EDUCATION FUND (Title 17, Secs. 151, 1991-5 Louisiana Revised Statutes of 1950)	$ 908,729 (0.3%)		Requirements f systems must m ments which me the State plan the teachers o a 12-month bas
Salaries for extended term of vocational agriculture, home economics, distributive education, trade and industry, and adult evening classes...........	Cost of extended term salaries based on State salary schedule and amount of travel expense as allowed.	State share--100 percent of calculated allowance. Amount shown does not include Federal funds also provided for this program. Local share--All costs not covered by reimbursement.	Extent of part systems. Distributed on reimbursement

;9--continued

e Funds for the public schools and for program participation

nt of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 7,876,297 (2.5%)		
mount per pupil enrolled in public, rivate, and parochial schools.	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--All public, private, and parochial school systems must report enrollment figures and submit requisitions for materials. Extent of participation--All 66 school systems. Distributed as orders are received. State purchases items for districts as requisitioned.
OGRAM $ 1,692,493 (0.5%) utes)		
mount of approved expense. alary schedule not to exceed $3400 per lass. 250 per child. 400 per child. 900 per class. 250 per unit. tate salary schedule not to exceed 6000 for nine months. ctual charge to $30 per month for day chool and $60 per month for residential upils. 500 per teacher-trainer. p to $10,500 per each area State ollege.	State share--100 percent of approved expense to specified maximum. Local share--All costs not covered by reimbursement.	Requirements for participation--Classes for the education of physically handicapped, exceptional, and mentally retarded children must meet standards prescribed by the State Board of Education Extent of participation--All 66 school systems. Distributed on approved application for reimbursement once or twice a year.
$ 908,729 (0.3%)		
ost of extended term salaries based on tate salary schedule and amount of ravel expense as allowed.	State share--100 percent of calculated allowance. Amount shown does not include Federal funds also provided for this program. Local share--All costs not covered by reimbursement.	Requirements for participation--School systems must maintain vocational departments which meet standards prescribed by the State plan for Vocational Agriculture, the teachers of which must be employed on a 12-month basis. Extent of participation--All 66 school systems. Distributed on approved applications for reimbursement once or twice a year.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requi dist
SALARY ADJUSTMENT FOR AGRICULTURE TEACHERS (Title 17, Sec. 422 Louisiana Revised Statutes of 1950)	$ 326,000 (0.1%)		
Salary Adjustment for Agriculture Teachers..........................	Cost of extended term salaries based on State salary schedule.	State share--100 percent of calculated allowance. Local share--All costs not covered by reimbursement.	Requi syster beyond Extent tems. Distri
ADULT ACADEMIC EDUCATION FUND (Act 252 of 1950)	$ 283,401 (0.1%)		
Adult Academic Education Fund....	$5.00 per clock hour of instruction	State share--100 percent of calculated allowance. Local share--All costs not covered by reimbursement.	Requi must b tion c Funds ready funds. Extent tricts
DRIVER EDUCATION FUND (Act 84 of 1955)	$ 381,307 (0.1%)		
Driver Education Fund............	Cost of classroom instruction not to exceed $3 per pupil completing the course and $12 per student having completed at least 6 hours of practice driving instruction or where State-approved simulators are used, 12 hours in simulators, plus 3 hours' actual driving instruction, or 6 hours actual driving instruction.	State share--100 percent of calculated and approved amount. Local share--State funds are provided to match district expenditures for driver education.	Distri Requi applic school tions expans Extent tricts Distri reimbu
COMMUNITY FOOD PRESERVATION UNITS (Act No. 5 of 1965)	$ 226,544 (0.1%)		
Community Food Preservation Units............................	Proportion of total Public School Fund amount for the parish to the total Public School Fund amount for the State.	State share--100 percent of calculated amount. Local share--All costs not covered by reimbursement.	Requi systen ment c tion u of the Extent tricts Distri reimbu

PUBLIC SCHOOL FINANCE PROGRAM

59--continued

e Funds for the public schools and for program participation

nt of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ERS $ 326,000 (0.1%)		
ost of extended term salaries based n State salary schedule.	State share--100 percent of calculated allowance. Local share--All costs not covered by reimbursement.	Requirements for participation--School systems must employ agriculture teachers beyond a nine-month term. Extent of participation--60 school systems. Distributed annually in June.
$ 283,401 (0.1%)		
5.00 per clock hour of instruction	State share--100 percent of calculated allowance. Local share--All costs not covered by reimbursement.	Requirements for participation--Programs must be operated under the general direction of State Department of Education. Funds are not to be used for programs already established and operated with other funds. Extent of participation--58 school districts. Distributed monthly.
$ 381,307 (0.1%)		
ost of classroom instruction not to kceed $3 per pupil completing the ourse and $12 per student having com- leted at least 6 hours of practice driv- g instruction or where State-approved imulators are used, 12 hours in simula- ors, plus 3 hours'actual driving in- truction, or 6 hours actual driving in- truction.	State share--100 percent of calculated and approved amount. Local share--State funds are provided to match district expenditures for driver education.	Requirements for participation--Submit applications at the beginning of each school year and supplementary applications during the year for any proposed expansion of the program. Extent of participation--50 school districts. Distributed on approved applications for reimbursement once or twice a year.
$ 226,544 (0.1%)		
roportion of total Public School Fund mount for the parish to the total Public chool Fund amount for the State.	State share--100 percent of calculated amount. Local share--All costs not covered by reimbursement.	Requirements for participation--School systems must use funds for the development of school-community food preservation units and submit a plan for the use of these funds. Extent of participation--38 school districts. Distributed on approved applications for reimbursement once or twice a year.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirem distric for
INTEREST ON FREE SCHOOL FUND (School facilities) (Title 41, Secs. 841-844 Louisiana Revised Statutes of 1950)	$ 96,160	(-)		
Interest on Free School Fund.....		Proportion of area of 16th section lands which were located in each parish.	State share--100 percent of calculated amount. Local share--None.	Requireme district to its cr sale of lands.
SPECIAL VOCATIONAL FACILITIES FUND (Title 17, Sec. 151. Louisiana Revised Statutes of 1950)	$ 100,000	(-)		Extent o tricts. Distribu
Special Vocational Facilities Fund............................		Proportion of vocational teachers to State total.	State share--100 percent of calculated amount. Local share--None.	Requirem submit a of Educa Extent o systems Distribu
EDUCATIONAL AND RECREATIONAL YOUTH CENTER (Act 29 of 1955)	$ 35,657	(-)		
Recreation Center............		State operates program and pays all cost of centers' salaries and maintenance.	State share--100 percent of cost Local share--None.	Requirem establis other st with a f conferen for lead of soil center.
AMERICANISM SEMINARS (Title 17, Sec. 2851 Louisiana Revised Statutes.)	$ -*	(-)		State co financed tion.
American Seminars................		State conducts program and pays program costs.	State share--100 percent of cost. Local share--None.	Requirem 2-day se Departme as appro Seminars the Sta
NATIONAL DEFENSE EDUCATION ACT, TITLE V-A--Guidance, Counseling, etc. (Act 277 of 1960)	$ 49,000	(-)	State share.--50 percent matching with Federal funds. Local share.--All costs not covered by reimbursement.	Requir student by help age; by counsel study b and ski outstan scholas

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* No appropriation at this time; funds to be requested in Special Session.

public schools and for program participation

nds for school support, owances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 96,160 (-)		
rea of 16th section lands ted in each parish.	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--School district must have school lands or have to its credit funds realized from the sale of school lands or timber on such lands.
$ 100,000 (-)		Extent of participation--53 school districts. Distributed annually.
ocational teachers to	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--Schools submit applications for State Department of Education for approval. Extent of participation--All 66 school systems in the State.
$ 35,657 (-)		Distributed annually in June.
program and pays all cost ries and maintenance.	State share--100 percent of cost Local share--None.	Requirements of participation--Center is established so that FFA students and other statewide groups might be provided with a facility for district and State conferences, for recreational purposes, for leadership training, and for the study of soil conservation. State operates this center.
$ -* (-)		State conferences are administered and financed by the State Department of Education.
program and pays program ted in Special Session.	State share--100 percent of cost. Local share--None.	Requirements for participation--A minimum 2-day seminar for this purpose. State Department of Education conducts seminars as approved by the State Board of Education. Seminars are administered and financed by the State Department of Education.
$ 49,000 (-)	State share.--50 percent matching with Federal funds. Local share.--All costs not covered by reimbursement.	Requirements.--By reducing the number of able students who drop out of high school and college by helping to identify abilities at an early age; by providing a program of guidance and counseling to advise students of courses of study best suited to the ability, aptitudes and skills; and to encourage students with outstanding ability to make the necessary scholastic preparation for higher education.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations are established by parish assessors who are elected by popular vote for a term of 4 years. The Louisiana Tax Commission has authority to adjust valuations in order to equalize assessments on a statewide basis, but it does not supervise the assessment procedures. The taxpayer may examine the assessor's listing, and he has 20 days in which to do so after published notice. Likewise, after the Tax Commission has reviewed the assessment, the taxpayer may again review his assessment and protest at a meeting of the police jury to be called for that purpose.

Intermediate districts.--None.

Local districts.--There are 64 parish and 2 city school systems in Louisiana. A parishwide property tax of 5 mills, or as much thereof as may be necessary, on 100 percent of the local assessed valuation of property is authorized to be levied by the board of education for current operating expenses without a vote of the people. All parishes levy at least 5 mills of this constitutional tax. An additional tax of 7 mills for the maintenance of schools may be imposed if voted on and approved by a majority of the property holders voting in number and amount of assessment voted, plus 7 mills for current operation voted in like manner. Up to 5 mills may also be levied by a vote of the people, parishwide or on a district basis, for the purpose of constructing or improving school buildings. A total of 24 mills may be levied parishwide. Provisions for debt service are in excess of these limitations.

Separate taxes for current expense, apart from parishwide (countywide) levies, are authorized, and separate districts may be created and bonds issued for capital outlay purposes. Taxes may then be levied within the district as needed for debt service. The use of this procedure is declining and there is a trend toward more parishwide bond issues. A favorable vote on a bond issue authorizes the board of education to issue the bonds and to levy a general property tax in excess of all other taxes for the purpose of paying the principal and the interest on bonds falling due each year.

Local funds are also provided from sources other than property taxes. These sources include court fines and forfeitures; income from rent, leases, and royalties on school lands; tuition from other school districts; contributions; sales tax collections; special transfers from police jury; interest and premiums on temporary investments and from other local sources. All school districts in Louisiana are fiscally dependent.

Provisions for School Indebtedness

Initiating bond issues.--The initiation of bond issues is the responsibility of the parish and city school boards. In the city system of **Monroe** the initiation of bond issues is the responsibility of the city council.

Limitations on issuance of bonds.--Although not required by law, a majority of school bonds are serial bonds. The maximum number of years from which bonds may be issued is 40.

Limitations on debt.--The Constitution authorizes the issuance of bonds for capital outlay up to 25 percent of the local assessed valuation. No State agency has authority to approve higher limits in emergencies.

Voting requirements.--A
ity of qualified electors who
sessed valuation of all prope
issue.

Approval and sale of bon
State Bond and Tax Board befo
on a bond issue. Notice of e
vertisement for bids for the
paper according to the condi
sold on the "yield" basis and
cannot exceed 6 percent. How
limits its approval to a 5 pe
vice but does not assist in a
necessary for bonds to be fir
been sold and immediate use o
invested until needed.

Tax levies, bond records
over and above those for the
sponsible for maintaining bon

Short-term indebtedness.
pation of current revenue up
by approved budget. Indebted
fiscal year may be incurred
issued for not more than 10 y

Provisions for School Budgets

Budget forms.--Budget fo
the State Department of Educa
ends June 30.

Local approval.--School
sibility for preparing the sc
The budgets, according to Sta
August 15. The budget is pu

State review or approval
Department of Education by A
to the State Budget Committe
Education, the State Treasure
the total or change any items

Proposed amendments inv
major items must also be app

Provisions for School Audits

Audits are authorized t
approximately once every yea
out cost to the local school

e established by parish as-
of 4 years. The Louisiana
n order to equalize assess-
se the assessment procedures.
d he has 20 days in which to
Tax Commission has reviewed
ssessment and protest at a
rpose.

ty school systems in
r as much thereof as may be
uation of property is autho-
rrent operating expenses
least 5 mills of this con-
the maintenance of schools
ty of the property holders
us 7 mills for current oper-
be levied by a vote of the
purpose of constructing or
y be levied parishwide.
limitations.

parishwide (countywide)
be created and bonds issued
ied within the district as
is declining and there is
rable vote on a bond issue
s and to levy a general
urpose of paying the prin-
ar.

er than property taxes.
income from rent, leases,
chool districts; contri-
rom police jury; interest
r local sources. All
t.

d issues is the responsibil-
ity system of
sponsibility of the city

t required by law, a major-
number of years from which

zes the issuance of bonds
sessed valuation. No State
ergencies.

Voting requirements.--A favorable vote in a special election of the majority of qualified electors who are property owners and a majority of the assessed valuation of all property voted is necessary for authorization of a bond issue.

Approval and sale of bonds.--School boards must secure approval of the State Bond and Tax Board before calling an election for the purpose of voting on a bond issue. Notice of election for the proposed bond issue and the advertisement for bids for the sale of bonds must be published in the newspaper according to the conditions stipulated in the law. Bonds are usually sold on the "yield" basis and State law requires that the rate of interest cannot exceed 6 percent. However, the State Bond and Tax Board presently limits its approval to a 5 percent interest rate. The State gives legal advice but does not assist in any other way with the sale of bonds. It is not necessary for bonds to be first offered to a State agency. If bonds have been sold and immediate use of the funds is not required, the funds may be invested until needed.

Tax levies, bond records, and payments.--Special taxes must be levied over and above those for the current school program. The school board is responsible for maintaining bond records and for the payment of bonds.

Short-term indebtedness.--Boards of education may borrow funds in anticipation of current revenue up to 50 percent of the estimated revenue as shown by approved budget. Indebtedness that cannot be retired during the current fiscal year may be incurred up to 5 mills on certificates of indebtedness issued for not more than 10 years.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms used by the 66 school systems are prepared by the State Department of Education. The school fiscal year begins July 1 and ends June 30.

Local approval.--School officials of each school system have full responsibility for preparing the school budget within the limits prescribed by law. The budgets, according to State law, should be approved by the school board by August 15. The budget is published in part with other proceedings.

State review or approval.--All budgets must be submitted to the State Department of Education by August 15. In turn, this agency submits the budgets to the State Budget Committee composed of the State Superintendent of Public Education, the State Treasurer, and the Governor, which committee may reduce the total or change any items in the budget.

Proposed amendments involving increased expenditures or transfers from major items must also be approved by the State Budget Committee.

Provisions for School Audits

Audits are authorized to be made every 6 months but in practice are made approximately once every year. They are made by the Legislative Auditor without cost to the local school system.

MAINE
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

MAINE PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Asa A. Gordon, Director, School Administrative Services, Maine State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 30 percent of the nonfederal revenue for public schools, including only State grants and local district revenue receipts, is provided by the State.

2. Except for less than a half of 1 percent of the State support for public education, all State funds for distribution to the school districts are derived through legislative appropriation.

3. The principal fund through which the State provides public school assistance is the State Support of Foundation Program Fund. About 81 percent of the total estimated State grants are distributed through this fund.

4. Foundation program support for current operating expenses other than pupil transportation in the larger school systems is $302 per pupil in grades K-8 and $406 per pupil in grades 9-12. Larger allowances are given for smaller school systems. Additional amounts are allowed for tuition expenses and for the cost of pupil transportation.

5. The balance of the State support program allows for distributions of State money to assist with the following special purposes: school construction, district reorganization, providing school for children in unorganized territories, special education for the handicapped, salaries of superintendents, vocational education, driver education, evening schools, secondary education of island children, grants to supplement loans by the Maine School Building Authority, and training for teachers of mentally retarded.

LOCAL SUPPORT

1. Local support from property taxes accounts for about 93 percent of the total local revenue receipts for public elementary and secondary schools.

2. The remaining 7 percent of locally derived school revenue is from tuition receipts, rentals of facilities, income from public trusts, gifts from private trusts, and Federal aid.

3. There is no specified tax rate which must be levied by local school administrative units in order to participate in the foundation program; but if local expenditures for public education from State and local funds are less than the amount calculated for the foundation program, the State allotment for the program is reduced.

4. There are no separately authorized intermediate district taxes which may be levied specifically for school support.

5. There is no specified local tax rate limit that applies to school taxes. Tax rates are authorized by the voters except in community school districts and municipality districts where district trustees are authorized to set the necessary tax rates, without limit.

6. Except for incorporated and administrative school districts, the debt limit for all municipal purposes, including schools, is 7.5 percent of the local assessed valuation of taxable property. Debt limits for incorporated school districts are specified in the act of incorporation, and the administrative district debt limit is set at 12.5 percent of the last preceding State valuation of all participating towns.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Req di
Total	$43,015,803 (100.0%)		
STATE SUPPORT OF FOUNDATION PROGRAM FUND (Title 20, Sec. 3723, Revised Statutes of 1964, as amended)	$34,801,679 (80.9%)		
	Each administrative unit is required to appropriate locally 20 mills on an equalized State valuation as its share of the Foundation Program except that no unit is required to appropriate more than 80 percent of said Foundation Program. The Foundation Program allowance is determined by multiplying the average of the 2 preceding years' resident average daily membership in grades K-8 by $302 per pupil and 9-12 by $406 per pupil. To the sum of these products is added 90 percent of the average annual amount expended during the preceding 2 years for tuition and for pupil transportation and board. From the total thus derived, deductions are then made for the average annual amount of the miscellaneous receipts for the preceding 2 years. The net amount thus determined represents the Foundation Program allowance against which the percent of State support is applied. If an administrative unit expends less than the Foundation Program allowance, its Foundation Program is reduced by a portion of the amount of its failure to meet the Foundation Program. If an administrative unit exceeds the Foundation Program, the State pays a token 4 percent of the excess amount. Money distributed under this program to participating districts is allotted for the cost of teachers' salaries and board, conveyance of pupils, school bus purchases, fuel, janitors' services, tuition pupil board, textbooks, reference books, school supplies for desk and laboratory use, public utility services, flags, replacement of instructional equipment, fire insurance, compensation for the superintendent and his assistants, school committee, community school committee or school director's office, attendance officers, and medical inspection.	State share.--100 percent of approved amount. Local share.--There is no specific tax rate which must be levied by local school administrative units in order to participate in the Foundation Program; but if local expenditures for public education from State and local funds are less than the amount calculated for the Foundation Program, the State allotment for the program is reduced.	Req mus of inf the yea the Ext tri Dis

PUBLIC SCHOOL FINANCE PROGRAM

-69

ds for the public schools and for program participation

State funds for school support, trict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$43,015,803 (100.0%) $34,801,679 (80.9%)		
ministrative unit is required to iate locally 20 mills on an equal- ate valuation as its share of the ion Program except that no unit is d to appropriate more than 80 per- said Foundation Program. The ion Program allowance is deter- y multiplying the average of the ding years' resident average embership in grades K-8 by $302 il and 9-12 by $406 per pupil. sum of these products is added ent of the average annual amount d during the preceding 2 years tion and for pupil transportation rd. From the total thus derived, ons are then made for the average amount of the miscellaneous re- for the preceding 2 years. The unt thus determined represents ndation Program allowance against he percent of State support is . dministrative unit expends less e Foundation Program allowance, ndation Program is reduced by a of the amount of its failure to e Foundation Program. If an admin- ve unit exceeds the Foundation , the State pays a token 4 percent excess amount. istributed under this program to pating districts is allotted for t of teachers' salaries and board, nce of pupils, school bus pur- , fuel, janitors' services, tuition oard, textbooks, reference books, supplies for desk and laboratory blic utility services, flags, re- ent of instructional equipment, nsurance, compensation for the tendent and his assistants, school ee, community school committee or director's office, attendance of- , and medical inspection.	State share.--100 percent of approved amount. Local share.--There is no specific tax rate which must be levied by local school administrative units in order to participate in the Foundation Program; but if local expenditures for public education from State and local funds are less than the amount calculated for the Foundation Program, the State allotment for the program is reduced.	Requirements for participation.--Reports must be filed with the State Department of Education giving required statistical information pertaining to finances for the local administrative unit's fiscal year, average daily membership (ADM) for the school, and enrollments as of April 1. Extent of participation.--330 school districts. Distribution.--Annually in December.

MAINE

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
STATE AID FOR SCHOOL CONSTRUCTION FUND (Title 20, Sec. 3518, Revised Statutes of 1964, as amended) $ 4,000,000 (9.3%)	State share.--A percentage of approved costs. Local share.--Remaining percentage from local effort.

Districts and single municipality units receive as State assistance the same percentage of expenditures for construction, including debt service and lease payments to Maine School Building Authority, as indicated in the following table:

Class	State valuation per resident pupil	Percent of State support of foundation program
1	$ 3,000 and under	66
2	3,001 - 3,500	64
3	3,501 - 4,000	62
4	4,001 - 4,500	60
5	4,501 - 5,000	58
6	5,001 - 5,500	55
7	5,501 - 6,000	52
8	6,001 - 6,500	49
9	6,501 - 7,000	46
10	7,001 - 7,500	44
11	7,501 - 8,000	41
12	8,001 - 8,500	38
13	8,501 - 9,000	36
14	9,001 - 9,500	34
15	9,501 - 10,000	32
16	$10,001 - 10,500	30
17	10,501 - 11,000	28
18	11,001 - 11,500	26
19	11,501 - 12,000	24
20	12,001 - 12,500	21
21	12,501 and over	18

e public schools and for program participation

nds for school support, owances	State and local shares for support of the calculated State program allowance	Requirements f r and extent of school district participation and schedule for distributing State aid
$ 4,000,000 (9.3%) ngle municipality units assistance the same per- nditures for construction, service and lease payments Building Authority, as following table: valuation esident pil — Percent of State support of foundation program 0 and under 66 1 - 3,500 64 1 - 4,000 62 1 - 4,500 60 1 - 5,000 58 1 - 5,500 55 1 - 6,000 52 1 - 6,500 49 1 - 7,000 46 1 - 7,500 44 1 - 8,000 41 1 - 8,500 38 1 - 9,000 36 1 - 9,500 34 1 - 10,000 32 1 - 10,500 30 1 - 11,000 28 1 - 11,500 26 1 - 12,000 24 1 - 12,500 21 1 and over 18	State share.--**A percentage of approved costs.** Local share.--Remaining percentage from local effort.	Requirements for participation.--Required reports must be filed with the State Commissioner of Education before November 1 each year by school administrative districts and by single municipality administrative units where the previous April 1 enrollment of resident and tuition pupils in grades 9-12, inclusive, exceeded 500 pupils, or which have more than 100 resident pupils in grades 9-12 and which contract with a school administrative district to furnish secondary education to secondary pupils residing in the district. Contracts must run for at least 5 years and not more than 20. Municipalities receiving construction aid, by virtue of receiving tuition students, may not discontinue the acceptance of such tuition students without at least 2 years' notice to the sending municipalities. These reports must show expenditures for capital purposes, including debt service and lease payments to the Maine School Building Authority. Assistance is paid to districts only on school construction approved subsequent to the formation of the district and to single municipality units on construction approved after August 28, 1957, the effective date of the Act. An Act of a 1966 special session of the legislature amended basis of aid by providing lump sum payment of State's assistance upon completion of the project. Because of the extent of obligations under this amendment, it was repealed in 1967 and the basis reverted to the former serial reimbursement on annual debt service costs. However, a saving clause continued this lump sum basis for those districts which during the period 4/11/66-5/27/67 had authorized projects in expectation of lump sum reimbursement. The repealer authorized the Commissioner of Education to pay lump sum aid if funds are available or, if not, to issue a certificate to the affected district stating that fact and directing the district to issue bonds for the amount of the State aid due for **which the State would assume** full costs of redemption and interest. This basis of aid is available only to school administrative districts and only on projects authorized during the period cited. Extent of participation.--Limited to reorganized districts and single administrative units with 500 secondary pupils.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares f the calculated State prog
STATE AID FOR SCHOOL CONSTRUCTION FUND--continued.	
SUPPLEMENTAL STATE AID FOR REORGANIZED DISTRICTS FUND (Title 20, Sec. 3456, Revised Statutes of 1964, as amended) $1,848,300 (4.3%)	State share.--10 percent of entitlement under the Founda Local share.--None.
Fund is an incentive to the formation of administrative districts; reorganized school administrative districts will be paid a supplemental subsidy equal to 10 percent of the subsidy to which it otherwise would be entitled under the Foundation Program.	
SPECIAL EDUCATION OF PHYSICALLY HANDICAPPED OR EXCEPTIONAL CHILDREN FUND (Title 20, Sec. 3119 and 3161, Revised Statutes of 1964, as amended) $ 650,000 (1.5%)	
Sixty percent of the teacher's salary up to $300 per pupil enrolled is reimbursed for special classes. Excess cost up to $300 is reimbursed for individual cases. Subsidies are prorated whenever funds do not permit full distribution.	State share.--100 percent o amount. Local share.--All costs not reimbursement.
SCHOOLING OF CHILDREN IN UNORGANIZED TERRITORY FUND (Citation not known) $ 717,340 (1.7%)	
Townships, generally, but not necessarily 6 miles square, are geographical tracts with definite boundaries but with too few residents to have any form of local government. Education of children in unorganized townships is a primary function of the State. All townships collectively are known as the unorganized territory. Direct operating costs of public elementary and secondary education for students residing in unorganized townships are paid by the State.	State share.--100 percent o amount. Local share.--None.

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PUBLIC SCHOOL FINANCE PROGRAM

1968-69

e funds for the public schools and for program participation

nt of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
--continued.		Distribution.--Annually in December.
$1,848,300 (4.3%) nd is an incentive to the formation of ministrative districts; reorganized hool administrative districts will be id a supplemental subsidy equal to 10 rcent of the subsidy to which it otherse would be entitled under the Foundaon Program.	State share.--10 percent of the districts' entitlement under the Foundation Program. Local share.--None.	Requirements for participation.--Reorganization of 2 or more local administrative units (cities, towns, etc.) into school administrative districts must be approved by a school district commission and have at least 300 resident secondary students, grades 9-12, educated at public expense as indicated in the last returns made to the State Commissioner of Education. Existing community school districts, formed either under general law or by special legislative chapter, may be reorganized into school administrative districts upon approval by the school district commission without regard to the number of secondary students. Extent of participation.--Limited to reorganized school districts. Distribution.--Annually in December.
$ 650,000 (1.5%) xty percent of the teacher's salary to $300 per pupil enrolled is reimrsed for special classes. Excess cost to $300 is reimbursed for individual ses. Subsidies are prorated whenever nds do not permit full distribution.	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Request for approval of special education must be filed and an examination must have been made of each child for the purpose of determining whether he or she can profit by such education. The term "handicapped or exceptional child" shall mean any educable child under 21 years of age whose educational needs cannot be adequately provided for through the usual facilities and services of the public schools because of the physical or mental deviation of such child. A yearly statement of costs must be furnished. Extent of participation.--330 school districts. Distribution.--Annually in December.
$ 717,340 (1.7%) wnships, generally, but not necessarily miles square, are geographical tracts th definite boundaries but with too few sidents to have any form of local govnment. Education of children in unornized townships is a primary function the State. All townships collectively e known as the unorganized territory. rect operating costs of public elemenry and secondary education for students siding in unorganized townships are id by the State.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--Local unit must be recognized as an unorganized township. Extent of participation.--65 school districts. Distribution.--Annually in December.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and district participati for distributing
SUPERINTENDENTS OF SCHOOL UNIONS FUND (Title 20, Secs. 152 to 155, Revised Statutes of 1964, as amended) $ 27,960 (.1%) This fund provides up to $350 for any one union to aid in equalizing travel expenses of superintendents.	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for par ficate must be filed committee." The sch school administrativ man of the school co town employing its o certifies the electi superintendent. Distribution.--Annua
STATE VOCATIONAL EDUCATION FUND (Title 20, Secs. 2351 to 2353, Revised Statutes of 1964, as amended) $ 190,024 (.4%) This fund is used to supplement Federal vocational funds so as to reimburse towns, insofar as possible, for half the salaries of instructors of vocational subjects. Available funds are prorated when necessary.	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for par maintain approved co education in accorda for vocational educa applications for app for reimbursement on Extent of participat tricts. Distribution.--Reimb in August and Septem year.
REGIONAL TECHNICAL VOCATIONAL CENTERS (Title 20, Sec. 2356-A-F, Revised Statutes of 1964, as amended) $ 512,000 (1.2%) Reimbursement of 2/3 of the operational costs for secondary level day schools and 90 percent of the operational costs for adult education. The cost of constructing and equipping buildings to be used for the maintenance and operation of a regional technical and vocational center is subsidized at 75 percent.	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for pa a facility adequatel duct of not less th courses of technical exclusive of, or in cooperative training tain and operate su vocational center i approved by the Sta educational need, s fered, location and Extent of participa Distribution.--Annu

the public schools and for program participation

e funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 27,960 (.1%)		
ovides up to $350 for any aid in equalizing travel superintendents. $ 190,024 (.4%)	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--A certificate must be filed by the "joint union committee." The school directors of a school administrative district, or chairman of the school committee of a city or town employing its own superintendent, certifies the election of a qualified superintendent. Distribution.--Annually in December.
used to supplement Federal unds so as to reimburse ar as possible, for half the instructors of vocational vailable funds are prorated ry. $ 512,000 (1.2%)	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Town must maintain approved courses in vocational education in accordance with the State plan for vocational education and must file applications for approval and final claims for reimbursement on approved courses. Extent of participation.--125 school districts. Distribution.--Reimbursement is made annually in August and September for the preceding year.
t of 2/3 of the operational econdary level day schools nt of the operational costs ucation. The cost of con- d equipping buildings to be maintenance and operation l technical and vocational bsidized at 75 percent.	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Approval of a facility adequately equipped for the conduct of not less than 5 approved full-time courses of technical or vocational education, exclusive of, or in addition to, part-time cooperative training programs, and shall maintain and operate such a regional technical and vocational center in accordance with a plan approved by the State Board of Education as to educational need, scope of program to be offered, location and area to be served. Extent of participation.--15 school districts. Distribution.--Annually, in December.

STATE SUPPORT, **1968-69--continued**

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for suppor the calculated State program allow
DRIVER EDUCATION FUND (Title 20, Sec. 2452 Revised Statutes of 1964 as amended) $ 120,000 (.3%) Special subsidies of $10 per pupil are paid to the 170 participating administrative units for each pupil satisfactorily completing the driver education course during the preceding school year.	**State share.--100 percent of approv amount.** **Local share.--All costs not covered reimbursement.**
EVENING SCHOOLS FUND (Title 20, Sec. 2404 Revised Statutes of 1964, as amended) $ 93,000 (.2%) This fund provides reimbursement for half the amount paid for instruction and activities contributing to adult education for persons over 16 years of age not regularly attending public schools. Local units reimbursed for amounts previously expended for this special purpose, are required to carry balances for the same purpose in succeeding years. Subsidies are prorated when the amount provided does not permit full payment of entitlements.	**State share.--100 percent of approv amount.** **Local share.--All costs not covered reimbursement.**
GRANTS TO SUPPLEMENT LOANS BY THE MAINE SCHOOL BUILDING AUTHORITY FUND (Title 20, Sec. 3516 Revised Statutes of 1964 as amended) $ -- 1/ (-) Determination as to eligibility is under such rules and regulations as the Maine School Building Authority shall make and this determination is final pending approval by the Governor and council. Each such case is considered individually upon its own merits and in light of its particular circumstances. The Authority may recommend aid in whatever amount it deems necessary to finance minimum necessary classroom facilities,	**State share.--100 percent of the ap amount.** **Local share.--None.**

1/ Authorized, but no funds.

he public schools and for program participation

funds for school support, lowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 120,000 (.3%)		
ies of $10 per pupil are O participating adminis- for each pupil satisfac- ing the driver education the preceding school year.	**State share.**--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Administrative units must make provision for instruction in driver education and file necessary reports with the State Commissioner of Education. Districts must secure approval of the Commissioner with regard to teacher qualification and the course of study. Distribution.--Payments are made in September of each year.
$ 93,000 (.2%)		
ides reimbursement for t paid for instruction and tributing to adult educa- ns over 16 years of age attending public schools. imbursed for amounts pre- ed for this special pur- ired to carry balances for se in succeeding years. prorated when the amount not permit full payment of	**State share.**--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--An application for approval must be filed in advance. Final application for reimbursement must contain salary and other required statistical information. All courses must be approved. Extent of participation.--41 school districts. Distribution.--Made annually in December.
$ -- 1/ (-)		
as to eligibility is under regulations as the Maine g Authority shall make and tion is final pending e Governor and council. is considered individu- own merits and in light lar circumstances. The recommend aid in whatever s necessary to finance ary classroom facilities,	**State share.**--100 percent of the approved amount. **Local share.**--None.	Requirements for participation.--Administrative units must be unable to finance minimum needed classroom facilities within the maximum loan limit policy of the Maine School Building Authority. Distribution.--Payments are made as cases are approved.

MAINE

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent district participation and for distributing State**
GRANTS TO SUPPLEMENT LOANS BY THE MAINE SCHOOL BUILDING AUTHORITY FUND--continued subject to the limits of available funds. Payments are made as the cases are approved. Whenever an administrative unit applying for a loan agreement with the Maine School Building Authority cannot, within the maximum loan limit policy of the Authority, secure such a loan agreement sufficient to finance necessary facilities, the Authority may recommend to the Governor and council an outright grant in such an amount as, with the maximum loan agreement, will permit financing of these facilities. Proceeds of the grant are paid to the Trustee of the Authority for deposit in the construction account of the unit to be assisted and are, with proceeds of an Authority bond issue, disbursed for the construction of the facilities.		
INTEREST TO PLANTATIONS FUND (Title 30, Sec. 4165 and 4166 Revised Statutes of 1964, as amended) $ 25,000 (.1%) This fund is derived from interest on the Organized Territory Fund and is distributed to plantations for school purposes. Distribution is made by the State Treasurer after the State Commissioner of Education satisfies himself that the plantations are properly organized, that a school is maintained there in accordance with law, and that plantation assessors are properly sworn and qualified. The State Treasurer holds the principal of Organized Territory Fund as trustee and pays the income to plantations for general school purposes, grades K-12 or 1-12 in proportion to the area of such land in each district.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participati must be organized as plantat maintain one or more schools and plantations are mutually Extent of participation.--48 districts. Distribution.--Annually in D
PERMANENT SCHOOL FUND INTEREST FUND (Title 20, Sec. 3451 Revised Statutes of 1964, as amended) $ 17,000 (-) This fund derived from the interest on the Permanent School Fund is used to reimburse administrative units for half the cost of school plans and surveys and may include architects' plans. By a	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participat School departments of munic must apply for reimburseme and survey plans must be ap State Commissioner of Educa of the report or plans must with the State Department with a receipted bill for s

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or the public schools and for program participation

ate funds for school support, t allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
the limits of available funds. e made as the cases are administrative unit applying agreement with the Maine lding Authority cannot, within loan limit policy of the secure such a loan agreement to finance necessary facili- uthority may recommend to the d council an outright grant amount as, with the maximum ent, will permit financing cilities. Proceeds of the aid to the Trustee of the for deposit in the construction the unit to be assisted and roceeds of an Authority bond ursed for the construction lities.		
$ 25,000 (.1%) is derived from interest on zed Territory Fund and is dis- plantations for school pur- stribution is made by the State fter the State Commissioner n satisfies himself that the are properly organized, that maintained there in accord- law, and that plantation as- e properly sworn and qualified. Treasurer holds the principal ed Territory Fund as trustee e income to plantations for ool purposes, grades K-12 or portion to the area of such ch district.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--Units must be organized as plantations and maintain one or more schools. Townships and plantations are mutually exclusive. Extent of participation.--48 school districts. Distribution.--Annually in December.
$ 17,000 (-) derived from the interest on ent School Fund is used to dministrative units for half f school plans and surveys and e architects' plans. By a	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--School departments of municipalities must apply for reimbursement and school and survey plans must be approved by the State Commissioner of Education. A copy of the report or plans must be filed with the State Department of Education with a receipted bill for services.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for supp the calculated State program al
PERMANENT SCHOOL FUND INTEREST FUND--continued departmental ruling, this apportionment is limited to $1,200 for any one year and not more than $2,000 to any one municipality in a 5-year period.	
SECONDARY EDUCATION OF ISLAND CHILDREN FUND (Title 20, Sec. 1291 Revised Statutes of 1964, as amended.) $ 10,000 (-) Reimbursement is provided for half the cost of board of pupils in grades 9-12 attending school on the mainland. Allowable board per pupil cannot exceed $353 per year.	**State share.**--100 percent of appr amount. **Local share.**--All costs not cover reimbursement.
PROFESSIONAL CREDITS FOR TEACHERS OF MENTALLY RETARDED CHILDREN FUND (Title 20, Sec. 3161 Revised Statutes of 1964, as amended.) $ 3,500 (-) Reimbursement to qualified teachers is made for half the amount expended for the training of teachers of mentally retarded children.	**State share.**--100 percent of appr amount. **Local share.**--All costs not cover reimbursement.
TEMPORARY RESIDENT SUBSIDY FUND (Title 20, Sec. 862 Revised Statutes of 1964, as amended) $ - 0 - (-) Towns are reimbursed for the cost of transportation or board of pupils in grades K-12 temporarily resident in the district when all requirements are met. The amount provided for this special purpose is available for general use in financing costs incurred in support of the Foundation Program. This is not necessarily a recurring type of grant.	**State share.**--100 percent of appr amount. **Local share.**--All costs not cover reimbursement.

PUBLIC SCHOOL FINANCE PROGRAM

blic schools and for program participation

for school support, ces	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
, this apportionment 0 for any one year 2,000 to any one -year period. 10,000 (-)		Extent of participation.--35 school districts. Distribution.--Annually in December.
rovided for half the pupils in grades 9-12 n the mainland. r pupil cannot exceed $ 3,500 (-)	**State share**.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Towns must be located on an island off the coast of Maine, have no high schools and no highway connection with the mainland, and secure prior approval of the State Commissioner of Education. Extent of participation.--6 school districts. Distribution.--Annually in December.
qualified **teachers** is e amount expended for the hers of mentally retarded $ - 0 - (-)	**State share.**--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--School administrative units must provide and expend funds for the education of teachers to meet the educational needs of mentally retarded children.
ursed for the cost of or board of pupils in porarily resident in the ll requirements are met. ided for this special lable for general use in incurred in support of Program. This is not recurring type of grant.	State share.--100 percent of approved amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--The distance from the pupils' temporary residence to school must be more than 2 miles. Advance authorization for conveyance, or board in lieu of transportation must be secured from the State Commissioner of Education. This is limited by department rule to cases where parents find it necessary to move from place to place in pursuit of employment. Extent of participation.--None. Distribution.--Annually in December.

STATE SUPPORT, 1968-69--continued.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for a district particip for distribut**
STATE LOAN FUND--MAINE SCHOOL BUILDING AUTHORITY (Title 20, Secs. 3501 to 3507, Revised Statutes of 1964, as amended) $25,000,000 (-) Loan Plan.--This Authority was created by the State Legislature and designated as a public instrumentality of the State for the construction, acquisition, alteration, or improvement of public school buildings, including any structure used or useful for schools or playgrounds and facilities for physical education. Towns are authorized to contract with the Authority for the lease or use of any project financed by the Authority. Annual rentals for the lease or use of these projects must be paid to the Authority by the municipalities involved and, if they are delinquent, the State Department of Education will pay to the Authority any amounts due and will deduct this amount from the amounts payable to the municipality by the Department. Whenever the amount of rentals paid by the lessee equals the cost of redemption of bonds issued in its behalf together with interest paid out by the Authority, the lessee is given full title to the building or buildings. Bonds may be sold on any terms determined by the Authority to be in its own best interests. However, no sale shall be made at a price so low as to require payment of interest of more than 5 percent computed in relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding from such computation the amount of premiums to be paid on the redemption of the bonds prior to maturity.		Requirements for tracts between cit munity school dist ity must be approv municipalities in vidual communities community school approval is obtai electorate. A pr for financing by superintending sc school district, committee of a co has certified the municipal officer trustees of such together with the the procurement o different public their recommendat by the municipal by the State Boar Extent of partici cent of the schoo benefits of finan

e public schools and for program participation

unds for school support, lowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$25,000,000 (-)		
is Authority was created egislature and designated strumentality of the State uction, acquisition, al- mprovement of public gs, including any struc- seful for schools or play- cilities for physical orized to contract with for the lease or use of nanced by the Authority. for the lease or use of must be paid to the he municipalities involved re delinquent, the State Education will pay to the amounts due and will de- nt from the amounts pay- nicipality by the Depart- r the amount of rentals ssee equals the cost of bonds issued in its behalf interest paid out by the lessee is given full uilding or buildings. old on any terms deter- uthority to be in its own . However, no sale shall price so low as to require erest of more than 5 per- in relation to the abso- of the bonds in accordance tables of bond values, n such computation the niums to be paid on the re- e bonds prior to maturity.		Requirements for participation.--Contracts between cities, towns, or community school districts and the Authority must be approved by the individual municipalities involved either as individual communities or as members of a community school district. Community approval is obtained by vote of the electorate. A project will be accepted for financing by the Authority when the superintending school committee of the school district, or the community school committee of a community school district, has certified the need therefor to the municipal officers of the town or the trustees of such community school district together with their recommendations for the procurement of new, additional, or different public school buildings, and their recommendation has been approved by the municipal officers or trustees and by the State Board of Education. Extent of participation.--About 15 percent of the school districts have received benefits of financing by the Authority.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Assessments are made by a board of assessors. In incorporated cities, the members of the board are generally appointed for specific terms by the city council or board of aldermen; in towns and plantations, they are elected directly by the voters in a town meeting. If any town does not choose assessors, the selectmen shall be the assessors. Assessments on property in the unorganized territory are made by the State Tax Assessor, an official of the State Department of Finance.

Appeals from assessments made by assessors may be taken to the county commissioner only if the taxpayer, prior to April 1, delivered to his board of assessors true and complete lists of his property with his own value placed upon it. Failing in this prior action, he has no recourse from the decision of the assessors. With respect to local property assessments, the State Board of Equalization has authority to conduct assessment ratio studies to determine variations in the level of assessment among the State's taxing districts and to adjust valuations for the purpose of equalizing them on a statewide basis. The local assessment level is not affected by the assessment ratio. Rather, equalization is reflected in adjustment of quantities such as State-assessed values, State tax rates, State aids, and the State tax levy. Apportionments of State school aid are based upon assessment ratio data.

Intermediate districts.--None

Local districts.--Levies for local school revenue are established by the voters on the basis of budgets which are prepared by the boards of education. These budgets are approved by the city council in the case of cities and by town meetings in the towns. There is no limit to the tax rate that may be imposed. In community school districts organized under general law, member towns are taxed by the trustees according to the ratio of their valuation to total valuation in the district. Revenue for schools is provided for in the total levy of the municipality.

Provisions for School Indebtedness

Initiating bond issues.--Generally, the voters of the school administrative units have complete responsibility for initiating bond issues. The school committee for each district recommends the issuance of bonds to the voters of the towns in a special meeting called for that purpose or to city council. Bonds may be issued for any purpose for which the municipality may raise money or incur debt. The State constitution sets the maximum debt limit for municipalities at 7.5 percent of the last local valuation of the municipality.

However, there are several school districts which obtain their authority to issue bonds directly from the State. These districts are incorporated by special act of the State Legislature to erect, remodel, or acquire school buildings, each for its particular purpose and within limits specified in the act.

Title 20, Revised Statute of 1964, provides for new local school units in the form of school administrative districts. Such districts are composed of two or more towns, cities, plantations, or previously existing community school districts, and are administered by boards of school directors with representation from every town. School directors are permitted to borrow funds for capital outlay by issuing bonds or notes only when properly approved by a majority of votes cast at an election called by the directors specifically for that purpose.

Limitations on issuance
cannot exceed 25 years in len
and towns although they are i
bonds is 50 years.

Limitations on debt.--Th
set at 7.5 percent of the las
pality and is imposed by the
districts have their debt lim
New local school units in the
a debt limit of 12.5 percent
participating towns, includin
had to assume upon its format
two or more towns, cities, pl
State agencies have no author
special cases.

Voting requirements.--Ci
bonds to the city council. I
issue at a special meeting ca
vote in any other election ar
majority of these voting is s
Voters in administrative dist
for capital outlay.

Approval and sale of bon
the issuance of bonds except
are usually sold on a fixed i
the sale of bonds, and it is n
State agency.

Bond records, tax levies
requirements of school distri
above those which are necessa
trustees of the school distri
sible for debt service paymen

Short-term indebtedness.
community school district law
operational expenditures of t
total of the warrants issued
their respective shares of co
said loans must be repaid wit

Also, at town meetings c
formation of a community scho
a community school district m
outstanding at any one time w
outlay purposes. This limit,
of the total of the last prec
pating towns.

Capital indebtedness may
except that notes shall matur
and may be renewed from time
note plus that of all renewal
years from date of the origin

by a board of assessors. In
e generally appointed for
ldermen; in towns and planta-
n a town meeting. If any town
e the assessors. Assessments
e by the State Tax Assessor, an

may be taken to the county
l 1, delivered to his board of
y with his own value placed
o recourse from the decision
y assessments, the State Board
ent ratio studies to determine
State's taxing districts and to
them on a statewide basis. The
sessment ratio. Rather, equal-
such as State-assessed values,
evy. Apportionments of State

evenue are established by the
d by the boards of education.
n the case of cities and by
o the tax rate that may be
d under general law, member
ratio of their valuation to
hools is provided for in the

ers of the school administrative
g bond issues. The school
nce of bonds to the voters of
urpose or to city council.
e municipality may raise money
maximum debt limit for munici-
ion of the municipality.

which obtain their authority
istricts are incorporated by
emodel, or acquire school
ithin limits specified in the

for new local school units in
ch districts are composed of
ously existing community school
ool directors with representation
to borrow funds for capital out-
approved by a majority of votes
ifically for that purpose.

Limitations on issuance of bonds.--District bonds must be serial and cannot exceed 25 years in length. Serial bonds are not required in cities and towns although they are invariably used. The maximum term of these bonds is 50 years.

Limitations on debt.--The maximum debt limit for municipalities is set at 7.5 percent of the last local assessed valuation of the municipality and is imposed by the State constitution. Incorporated school districts have their debt limits set forth in the act of incorporation. New local school units in the form of school administrative districts have a debt limit of 12.5 percent of last preceding State valuation of all participating towns, including all school indebtedness which the district had to assume upon its formation. Such new school districts are composed of two or more towns, cities, plantations, or previously existing districts. State agencies have no authority to fix or approve a higher debt limit in special cases.

Voting requirements.--City charters generally give the right to issue bonds to the city council. In towns, the voters must approve every bond issue at a special meeting called for the purpose. Citizens entitled to vote in any other election are entitled to vote on bond issues, and a majority of these voting is sufficient to approve the issuance of bonds. Voters in administrative districts must approve district bond issues for capital outlay.

Approval and sale of bonds.--No State agency has approving power over the issuance of bonds except as noted in "initiating bond issues." Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds, and it is not necessary that bonds first be offered to a State agency.

Bond records, tax levies, and payments.--Tax levies for meeting the requirements of school district funded indebtedness are levied over and above those which are necessary for the current school program. The trustees of the school districts maintain the bond records and are responsible for debt service payments.

Short-term indebtedness.--In districts incorporated under general community school district law, trustees may borrow funds to pay current operational expenditures of the district in an amount not to exceed the total of the warrants issued for the current year, member towns assessing their respective shares of community school district expenditures; but said loans must be repaid within the same fiscal year.

Also, at town meetings called for the purpose of authorizing the formation of a community school district, inhabitants of towns comprising a community school district may set the maximum amount of indebtedness outstanding at any one time which the district may incur for capital outlay purposes. This limit, however, may not be in excess of 5 percent of the total of the last preceding State valuation of all of the participating towns.

Capital indebtedness may consist of notes or bonds of the district except that notes shall mature not later than 1 year from date of issue and may be renewed from time to time provided that the term of the original note plus that of all renewals shall not cover a period in excess of 2 years from date of the original issue.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Each school committee is responsible for the preparation of its own budget in any suitable manner. As a service, the State Department of Education furnishes budget forms with revenue and expenditure classifications comparable to those required on financial statements filed by the administrative units with the Department, but their use is not compulsory. The fiscal years for the town schools vary inasmuch as they are determined at town meetings.

Local approval.--Municipalities must hold their meetings in March to appropriate school monies. At these meetings, the budget, which has previously been approved by the school committee, is submitted to the voters for consideration. Municipalities with individual charters submit their budgets in accordance with their charter provisions. These dates vary considerably. No official outside of the particular municipality has authority to act on the budget. In school administrative districts, the school directors prepare a budget in a form substantially required by law and submit it to voters of the district at a budget meeting called in a manner prescribed by law.

Only those items dealing with operations may be altered by the voters. Amounts necessary for payment of bonds, interest, lease payments, and other charters provided in the least agreement with the Maine School Building Authority may not be questioned by the voters.

If the operations budget is not approved by the voters prior to April 1, the budget, as prepared by school directors, is considered automatically approved. In cities, city councils approve budgets for schools and make necessary appropriations. In towns, the voters appropriate funds at town meetings.

State review or approval.--Appropriations for the ensuing fiscal year are required to be reported to the State Department of Education with the financial report of the preceding year. This requirement is for statistical purposes only. The Department has no authority over the budget of school units, other than to satisfy itself that a State law requiring unexpended balances of funds received from the State, or appropriated by the school unit, be carried from year to year. In this latter instance, if the State Commissioner of Education finds that these funds are diverted, his authorty extends to the point where he may recommend to the Governor and council that State aid be withheld.

Provisions for School Audits

State law requires annual audits of all municipal accounts which would include school funds. The law permits the audit to be made by the State Department of Audit or any public accountant recognized as competent by virtue of training and experience. Copies of the audit report must be filed with the State Auditor.

MARYLAND

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

MARYLAND PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Ted J. Smith, Supervisor of State Aid, Maryland State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 40 percent of the nonfederal revenue for public elementary and secondary schools and 2-year colleges, including only State grants and local revenue receipts, is provided by the State.

2. All State money for the support of the public schools is derived through legislative appropriation.

3. The State share of Current Expense Fund accounted for approximately 60 percent of the State aid for the operation of public schools in 1967-68. This distribution provides a foundation program of at least $370 per pupil enrolled, based on $299 for an average annual salary of $6,645 for 45 professional employees per 1,000 pupils, plus $71 for other current expense. Additionally, $30 is provided for increased enrollment. Also $30 per pupil enrolled is provided for districts with a high population density (Only Baltimore City participates). The Current Expense Incentive Aid Fund, which encourages improved staffing practices, is distributed on the basis of the ratio of the State share to the foundation program, and accounts for an additional 3.3 percent of the State grant money for schools.

4. Allowance for transportation costs represent 9 percent of the amount distributed. Approved costs of transportation are financed entirely by the State.

5. The School Building Construction Aid represents 21.3 percent of the total amount of State support. This program allows for State participation in 80 percent of capital construction costs for any school project up to a maximum allowance of $1,500 per pupil housed. Further, the State participates in 80 percent of all principal and interest payments on obligations created due to the construction of facilities prior to June 30, 1967. The State's participation in both of these programs is equal to the State share of current expense times the total allowable base.

LOCAL SUPPORT

1. Financial support from local sources for the operation of public elementary and secondary schools is derived mainly from general fund revenues in the 24 political subdivisions which include 23 counties, and Baltimore City. All of the subdivisions in the State are allowed to levy an income tax based on the Maryland State tax liability. They are permitted to levy a surtax of any percentage falling within the range of 20 to 50 percent in even multiples of 5. Most subdivisions are beginning to rely heavily on this source of revenue and are attempting to hold the line on property taxes.

2. In order to qualify for participation in the basic foundation program the local subdivisions are required to levy at a rate to provide a dollar amount which, when subtracted from the total foundation program, will provide a State share in an amount not less than 99.5 percent of the previous year's participation.

3. No limit is specified for the tax rate which may be levied to support public education. Tax rates require the approval of the board of county commissioners for the counties and of the city council for the City of Baltimore. There is no provision for approval of tax rates by the electorate.

4. Tax rates are levied on the valuation of property, 79 percent of which is assessed under the supervision of the State and 21 percent assessed directly by the State.

5. Except in charter counties where the school debt limit is 10 percent of the assessed valuation, there is no specified debt limit nor is there any local authority to issue school bonds. County commissioners may issue bonds when so authorized by the State legislature.

6. Taxes for debt service, like current operating levies, have no limitation rate.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Require distri fo
Total	$238,138,872 (100.0%)		
AID TO EDUCATION--STATE SHARE OF CURRENT EXPENSE FUND (Current expense, grades K-12) (Art. 77, Sec. 220, 1957 Annotated Code and Cumulative Supplement.)	$134,200,000 (56.3%)	State share.--Calculated program amount, minus local share but not less than $128 per enrolled pupil. Local share.--A percentage which, when multiplied by the assessed valuation of real property and total taxable income, will provide a State share within ½ percent of what it was in the previous year. Land and improvements are assessed locally and, if assessed below 50 percent of market value, are raised to 50 percent; if between 56 percent and 60 percent, reduced to 56 percent; if over 60 percent, the assessed valuation divided by the actual assessment ratio is multiplied by the actual ratio, minus 4 percent. Federal funds provided under P.L. 874 are not included in the local share for determination of State program amounts.	Requir trict to mee pend a materi ices, Extent tricts Distri
Basic program....................	$370 per enrolled pupil, September 30, 1968.		
Increased enrollment.............	$30 per pupil of increased enrollment over preceding year on September 30 of each year.		
Density factor...................	$30 per pupil enrolled in school districts with a population density measure of no less than 8,000 persons per square mile (applies only to Baltimore City at present).		
Staffing and salary adjustment staff............................	Forty-five staff members per 1,000 pupils enrolled, plus an extra staff member for each 1,000 of the first 5,000 pupils or employed staff, whichever is lower.		
Salaries--Teachers with standard certificate............	$5,100 - $7,400 in 12 steps.		
--Teachers with advanced certificates...........	$6,000 (4th step) - 8,000 (12th step)		
--Supervisors with bachelor's degree and standard certificate....................	$7,300 - $9,500 in 12 steps		
--Supervisors with one year graduate work and an advanced professional certificate..	$8,800 (4th step) - $10,800 (12th step)		
--Principal's supplement.	Additional allowance based on number of teachers, graduate work, and extended term of employment.		
Salary adjustment................	Number of allowed staff as determined above, multiplied by the average allowable salary per employed staff minus: $\frac{(45 \text{ enrollment x } \$6,645)}{1,000}$		

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for the public schools and for program participation

State funds for school support, ict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
· $238,138,872 (100.0%)		
$134,200,000 (56.3%)	**State share**.--Calculated program amount, minus local share but not less than $128 per enrolled pupil.	**Requirements for participation**.--A district must appropriate its required share to meet the State salary schedule and expend at least $71 per pupil enrolled for materials of instruction, custodial services, maintenance, etc.
enrolled pupil, September 30,	**Local share**.--A percentage which, when multiplied by the assessed valuation of real property and total taxable income, will provide a State share within ½ percent of what it was in the previous year. Land and improvements are assessed locally and, if assessed below 50 percent of market value, are raised to 50 percent; if between 56 percent and 60 percent, reduced to 56 percent; if over 60 percent, the assessed valuation divided by the actual assessment ratio is multiplied by the actual ratio, minus 4 percent. Federal funds provided under P.L. 874 are not included in the local share for determination of State program amounts.	**Extent of participation**.--24 school districts. **Distribution**.--In 6 bimonthly payments.
upil of increased enrollment eding year on September 30 of .		
upil enrolled in school dis- th a population density measure s than 8,000 persons per square lies only to Baltimore City at		
e staff members per 1,000 pupils plus an extra staff member for 0 of the first 5,000 pupils or staff, whichever is lower.		
,400 in 12 steps.		
th step) - 8,000 (12th step)		
$9,500 in 12 steps		
4th step) - $10,800 (12th step)		
l allowance based on number of graduate work, and extended mployment.		
allowed staff as determined ltiplied by the average allow- ry per employed staff minus:		
rollment x $6,645) 1,000		

6SS227

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares the calculated State pr
AID TO EDUCATION--TRANSPORTATION FUND (Art. 77, Sec. 33, 1957 Annotated Code and 1964 Cumulative Supplement.)	$21,200,000 (8.9%)	
Transportation....................	Amount expended for day-school program as approved, minus amounts for nonpublic school.	State share.--100 percent amount. Local share.--None.
AID TO EDUCATION--SCHOOL BUILDING CONSTRUCTION AID (Art. 77, Sec. 222, as amended)	$50,500,000 (21.2%)	
	Up to -- $1,500 times the number of pupils to be housed in the school project for which application is made. The principal and interest payments on local and State debt created prior to June 30, 1967.	State share.--80 percent t share of current expense p Local share.--All costs no imbursement.
AID TO EDUCATION--HANDICAPPED CHILDREN FUND (Art. 77, Secs. 241 and 243, 1957. Annotated Code and 1966 Cumulative Supplement)	$17,500,000 (7.3%)	
	Cost of teachers' special equipment, nursing, therapeutic treatment, and transportation of physically or mentally handicapped children.	State share.--100 percent mum of $1,000 per child, p Local share.--All costs no imbursement.
AID TO EDUCATION--CURRENT EXPENSE INCENTIVE AID FUND (Art. 77, Sec. 221, as amended 1967)	$ 7,700,000 (3.2%)	
Grades K-12......................	$6,645 multiplied by difference of the employed professionals, up to 50 per 1,000 enrolled pupils, minus the staff allowed in the calculation of the foundation program.	State share.--Same percent amount as provided for the gram Fund. Local share.--Same percent amount as provided for the gram Fund.

VSS228

MARYLAND

1968-69 --continued

funds for the public schools and for program participation

t of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$21,200,000 (8.9%)		
unt expended for day-school program approved, minus amounts for nonpublic ool.	**State share**.--100 percent of calculated amount. **Local share**.--None.	**Requirements for participation**.--Transportation service must be approved by the State Superintendent of Schools. **Extent of participation**.--24 school districts. **Distribution**.--In 6 bimonthly payments.
$50,500,000 (21.2%)		
o -- 00 times the number of pupils to be ed in the school project for which ication is made. The principal and rest payments on local and State created prior to June 30, 1967.	**State share**.--80 percent times the State share of current expense percentage. **Local share**.--All costs not covered by reimbursement.	**Requirements for participation**.--Enter into a contract approved by local and State Superintendents and provide assurances that local funding is available. **Extent of participation**.--24 school districts. **Distribution**.--In 6 bimonthly payments.
$17,500,000 (7.3%)		
of teachers' special equipment, ing, therapeutic treatment, and sportation of physically or mentally icapped children.	**State share**.--100 percent of cost to maximum of $1,000 per child, per year. **Local share**.--All costs not covered by reimbursement.	**Requirements for participation**.--Districts must operate a special program in accord with State standards, rules, and regulations, on authorized placement of handicapped child in approved private school. **Extent of participation**.--24 school districts. **Distribution**.--In 6 bimonthly payments.
$ 7,700,000 (3.2%)		
45 multiplied by difference of the oyed professionals, up to 50 per 0 enrolled pupils, minus the staff wed in the calculation of the founda- program.	**State share**.--Same percentage of calculated amount as provided for the Foundation Program Fund. **Local share**.--Same percentage of calculated amount as provided for the Foundation Program Fund.	**Requirements for participation**.--Employ professional staff in excess of those allowed in the foundation program to a maximum of 50 professionals per 1,000 pupils. **Extent of participation**.--20 school districts. **Distribution**.--In 6 bimonthly payments.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements district par for dist
AID TO EDUCATION--JUNIOR COLLEGE FUND (Art. 77, Sec. 304, 1957 Annotated Code as amended) $ 5,500,000 (2.3%) Cost per equivalent full-time pupil.	State share.--One-third of the first semester's operating cost per pupil not to exceed $10 per week per student or $150 per term. Local share.--One-third of cost per pupil expended, plus all additional costs not covered by tuition and fees paid by students.	Requirements trict must op lic junior c Extent of pa colleges in Distribution
AID TO EDUCATION--DRIVER EDUCATION FUND (1940 Appropriation Act) $ 725,000 (.3%) Amount of approved expenditure.	State share.--100 percent of calculated amount. Local share.--All additional program cost.	Requirements trict must o program. Extent of pa tricts. Distribution September.
AID TO EDUCATION--ADULT EDUCATION FUND (1940 Appropriation Act) $ 813,872 (.3%) Amount of approved expenditure.	State share.--Percent of amount expended as funds allow. Federal Government will also provide an estimated $5,000. Local share.--All costs not covered by reimbursement.	Requirements trict must e for adults. Extent of pa tricts. Distribution of reimburse

ds for the public schools and for program participation

f State funds for school support, trict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 5,500,000 (2.3%)		
er equivalent full-time pupil.	**State share**.--One-third of the first semester's operating cost per pupil not to exceed $10 per week per student or $150 per term. **Local share**.--One-third of cost per pupil expended, plus all additional costs not covered by tuition and fees paid by students.	**Requirements for participation**.--District must operate and maintain a public junior college. **Extent of participation**.--12 community colleges in 11 districts. **Distribution**.--In September and March.
$ 725,000 (.3%)		
of approved expenditure.	**State share**.--100 percent of calculated amount. **Local share**.--All additional program cost.	**Requirements for participation**.--District must operate a driver education program. **Extent of participation**.--24 school districts. **Distribution**.--In January, June, and September.
$ 813,872 (.3%)		
of approved expenditure.	**State share**.--Percent of amount expended as funds allow. Federal Government will also provide an estimated $5,000. **Local share**.--All costs not covered by reimbursement.	**Requirements for participation**.--District must establish and maintain classes for adults. **Extent of participation**.--24 school districts. **Distribution**.--Upon receipt and approval of reimbursement application.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Assessment of real and personal property is made by local assessors who are appointed by the State Department of Assessments and Taxation from a list of eligible assessors submitted by the county commissioners. The Department of Assessments and Taxation also appoints a local supervisor in each of the subdivisions. Assessors are trained and supervised by the State Department of Assessments and Taxation. Assessments made by the local assessors may be changed by the county commissioners or a local board of tax appeals and may be appealed to the State Department of Assessments and Taxation which sits as a Board of Tax Appeal with power to act finally on all assessments. The State Department of Assessments and Taxation supervises the administration of the tax laws and local assessment of property through its chief supervisor of assessments and the local supervisors of assessments, so that all taxable properties are entered on the assessment rolls and equalized. All persons, firms, and corporations must be assessed alike for like kind of property. The Department is empowered to enforce annual reappraisals in every county. The quality of local assessment is checked by assessment ratio studies.

Intermediate districts.--None

Local districts.--The schools of Maryland are organized on the basis of county school districts. Baltimore City is included with the counties in this report.

Neither the Constitution nor the statutes prescribe any upper limitation for levies for school purposes. In order to qualify for the State share of current expense, the counties and the City of Baltimore must appropriate an amount sufficient to support an expenditure of $71 for other current operating expense and amounts sufficient to satisfy the State's minimum salary schedule. If the total amount requested by the county board of education for current expenses for any school year exceeds a levy of 4 mills, and such additional tax is not approved and sanctioned by the board of county commissioners, the county commissioners shall indicate in writing what item or items of the annual budget of the county board of education have been denied in whole or in part and the reason for the denial of the items.

Initiating bond issues.--In 22 of Maryland's 23 counties, the county commissioners are empowered to issue bonds for school building construction. In one county, the board of education is so authorized. In the City of Baltimore, bonds for school building construction are issued by the Mayor and City Council.

Limitations on issuance of bonds.--There are no statewide constitutional or statutorial limitations on the amount of bonds that the counties or the City of Baltimore may issue except that the limit in charter counties is 10 percent of the assessed valuation.

Voting requirements.--If a referendum is included in the act authorizing the bond issue, or if a petition of 10 percent of the qualified voters request a referendum, the bond issue must be voted on by the voters. Otherwise, the county commissioners may issue the bonds authorized by the State Legislature. In the City of Baltimore, all bond issues must be voted upon by the public.

Approval and sale of bonds.--The counties and the City of Baltimore are required to obtain authorization from the State Legislature for each bond issue. This is not stated in the law, but any power not delegated to the local unit continues with the Legislature. Bonds are usually sold on the yield basis and must be offered at public sale to the highest bidder unless the enabling act specifies

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Provisions for School

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Provisions for School

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he counties and the City of Baltimore are re-
the State Legislature for each bond issue.
any power not delegated to the local unit con-
are usually sold on the yield basis and must
ghest bidder unless the enabling act specifies

a different method of sale. It is not necessary to offer the bonds to a State agency first. No State assistance is provided in the sale of bonds. Funds available from the sale of bonds and not immediately required for construction purposes may be invested until needed.

Bond records, tax levies, and payments.--In general, the local units levy amounts for debt service in addition to those for current expenses. State incentive fund money may also be used for debt service for new building construction. In most of the Maryland counties, bond records are kept by the county commissioners. It, therefore, follows that the county commissioners are responsible for payment of interest and redemption on bonds.

Short-term indebtedness.--School boards may borrow funds in anticipation of current revenues under emergency conditions and with the expressed approval of the county commissioners.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms are prescribed and furnished by the State Department of Education. The school fiscal year begins on July 1 and ends June 30.

Local approval.--School Budgets are prepared by the county superintendents and approved by the county boards of education. They are then submitted to the county fiscal authorities who must approve the entire budget. The budget for the City of Baltimore must be approved by the City Council. There is no legal date by which the budgets must be filed except that State law requires a copy of the budget be filed with the State Superintendent of Schools at least 20 days before the usual date for levying county taxes. Budgets need not be published or posted prior to their adoption.

State review or approval.--Budgets are submitted to the State Department of Education for approval of estimates of State aid. As indicated, a copy of the budget must be filed with the State Superintendent of Schools at least 20 days before the usual date for levying county taxes.

Provisions for School Audits

Each county board of education must provide for at least an annual audit of its business and financial transactions and of the accounts of its treasurer. Semiannual audits are recommended although not required. The audit shall be made by an accountant or accountants approved by the State Superintendent of Schools. The results of the audit must be made public by the county board of education.

MASSACHUSETTS

PUBLIC SCHOOL FINANCE PROGRAM, 1968

MASSACHUSETTS PUBLIC SCHOOL FINANCE PROGRAM, 1968, is part of a series of individual State documents, cooperatively prepared by the State department of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. R. E. Reidy, Supervisor in Education, Massachusetts State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 40 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. Approximately 66.6 percent of the State school support is distributed through the foundation program. State support from the foundation program provides a maximum of 75 percent and a minimum of 15 percent of reimbursable expenditures for towns and cities.
3. School construction support accounts for 14.9 percent of the State distributions and provides financial assistance for preliminary studies, plans, drawings, as well as construction costs.
4. The remaining 18.5 percent of State funds for elementary and secondary school support is distributed through 4 funds: Transportation Expense Fund, 8.4 percent; Special Education Fund, 7.1 percent; School Lunch Fund, 2.3 percent; and State Wards Fund, .7 percent.

LOCAL SUPPORT

1. Local educational support is derived in total from taxes on property. There are no county or intermediate district taxes for schools.
2. No local nonproperty taxes are authorized to be levied for the support of the public schools.
3. Districts must absorb the first $5 per pupil in net average daily membership (ADM) of transportation cost before receiving pupil transportation aid.
4. There is no specified tax rate limit for the taxes which may be levied for the support of the public schools either with or without electoral approval.
5. School district bonded indebtedness is limited to 5 percent of the local assessed valuation for towns and 2.5 percent for cities. With special approval, these limits may be increased to 10 percent for towns and 5 percent for cities.
6. Tax levies for debt service are separate and in addition to those for current operation.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for supp the calculated State program all
Total	$159,268,943 (100.0%)	
SCHOOL AID FUND (Ch. 70 amended, Ch. 14, Acts of 1966, General Laws)	$106,052,742 (66.6%)	
Foundation program............. The purpose of financial assistance provided by this fund is to promote the equalization of educational opportunities in the public schools of Massachusetts.	Formula: Average equalized valuation per school attending child for school district divided by average equalized valuation per school child for State. This valuation percentage is multiplied by 65 percent, the product is subtracted from 100 percent, this is the School Aid Percentage. The reimbursable expenditures of the school district are then multiplied by the school aid percentage to arrive at the State school aid.	State share.--Reimbursable expendi the last preceding fiscal year tim school aid percentage for the cale during which such fiscal year begi the State share. Reimbursable expenditures are defi total amount expended by a city or ing a fiscal year for the support schools during said year exclusive penditures for transportation, for lunch programs, for special classe physically handicapped and the men retarded, capital outlays (after de receipts for tuition), receipts fr eral Government, proceeds from inv funds, grants, gifts, and receipts other source to the extent that su ceipts are applicable to such expe Equalized valuation is defined as ized valuation of the aggregate pr a city or town subject to local ta as most recently reported by the S Commission to the general court un provisions of Section 10C of Chapt Local share.--Remaining percentage cational expenditures.
Limitations............	1. Maximum percentage of State support is 75 percent; the minimum is 15 percent. 2. State average reimbursable expenditure per child in net average membership (NAM) multiplied by 110 percent and the result multiplied by the NAM of the city or town equals the limit of reimbursable expenditures to which the School Aid Percentage shall be applied. 3. If a city's or town's reimbursable expenditures per child in NAM fall below 80 percent of the State average of reimbursable expenditures per child, then in computing the amount of school aid, a figure equal to 80 percent of the State's expenditures per child is used. 4. A ceiling is set on the amount of State aid that can be given to a city or town receiving substantial aid from the Federal Government. A community's State and Federal aid together cannot be more than 75 percent of its reimbursable expenditures and supplied revenue received from the Federal Government. 5. A ceiling is set that every city and town receive this year as State aid at least 115 percent of the amount they received from the State in 1965 under Chapter 70 plus any grants and reimbursements paid under Chapters 69, 71, and 74 of State Statutes.	

SUPPORT, 1968

PUBLIC SCHOOL FINANCE PROGRAM

of State funds for the public schools and for program participation

	nd percent of State funds for school support, ation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . .	$159,268,943 (100.0%)		
ed, Laws)	$106,052,742 (66.6%)		
..... is ual- por- hools	Formula: Average equalized valuation per school attending child for school district divided by average equalized valuation per school child for State. This valuation percentage is multiplied by 65 percent, the product is subtracted from 100 percent, this is the School Aid Percentage. The reimbursable expenditures of the school district are then multiplied by the school aid percentage to arrive at the State school aid.	State share.--Reimbursable expenditure for the last preceding fiscal year times the school aid percentage for the calendar year during **which such fiscal year** begins equals the State share. Reimbursable expenditures are defined as the total amount expended by a city or town during a fiscal year for the support of public schools during said year exclusive of expenditures for transportation, for school lunch programs, for special classes for the physically handicapped and the mentally retarded, capital outlays (after deducting receipts for tuition), receipts from Federal Government, proceeds from invested funds, grants, gifts, and receipts from any other source to the extent that such receipts are applicable to such expenditures. Equalized valuation is defined as the equalized valuation of the aggregate property in a city or town subject to local taxation, as most recently reported by the State Tax Commission to the general court under the provisions of Section 10C of Chapter 58. Local share.--Remaining percentage of educational expenditures.	Requirements for participation.--Every school superintendent shall certify with the State Commissioner of Education reimbursable expenditures for the preceding fiscal year. Extent of participation.--351 cities and towns.
....	1. Maximum percentage of State support is 75 percent; the minimum is 15 percent. 2. State average reimbursable expenditure per child in net average membership (NAM) multiplied by 110 percent and the result multiplied by the NAM of the city or town equals the limit of reimbursable expenditures to which the School Aid Percentage shall be applied. 3. If a city's or town's reimbursable expenditures per child in NAM fall below 80 percent of the State average of reimbursable expenditures per child, then in computing the amount of school aid, a figure equal to 80 percent of the State's expenditures per child is used. 4. A ceiling is set on the amount of State aid that can be given to a city or town receiving substantial aid from the Federal Government. A community's State and Federal aid together cannot be more than 75 percent of its reimbursable expenditures and supplied revenue received from the Federal Government. 5. A ceiling is set that every city and town receive this year as State aid at least 115 percent of the amount they received from the State in 1965 under Chapter 70 plus any grants and reimbursements paid under Chapters 69, 71, and 74 of State Statutes.		

MASSACHUSETTS

STATE SUPPORT, 1968--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirement district p for di
SCHOOL CONSTRUCTION GRANT FOR CAPITAL OUTLAY AND DEBT SERVICE FUND (Chapter 645, 1945; first established in 1948) $23,699,304 (14.9%) The total construction grant for any approved school project in a city or town is one-fourth of the product of the approved cost of the project, multiplied by the equalized valuation per pupil in net average membership for the entire Commonwealth, divided by the equalized valuation per pupil in net average membership in the city or town. However, no grant may be approved for an amount less than 40 percent or more than 50 percent of the approved cost of building. Construction grants for school projects in regional school districts are one-third of the product of the approved cost of the project, multiplied by the equalized valuation per pupil in net average membership for the entire Commonwealth, divided by the total equalized valuation per pupil in the total net average membership of the towns comprising the region. However, no such grant is to be approved for less than 40 percent nor more than 65 percent of the approved cost. This fund is distributed in accordance with approved plans for financing the projects. If a project is to be financed without any sale of bonds or notes, the grant is paid in five equal annual installments. In case of other projects, the grant is paid in equal annual installments determined by dividing the total grant by the number of years during which any indebtedness incurred therefor remains outstanding, but not less than five equal annual installments.	State share.--100 percent of approved grant amount. Local share.--Remainder of construction costs.	Requirement cations mus by, the Dep fund is use constructio cities, tow tricts and gional scho of the rela preparation plans, draw as assist * counties

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te funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$23,699,304 (14.9%) onstruction grant for any hool project in a city or -fourth of the product of d cost of the project, mul- the equalized valuation per t average membership for the monwealth, divided by the aluation per pupil in net bership in the city or town. grant may be approved for ess than 40 percent or more rcent of the approved cost of n grants for school projects school districts are one- e product of the approved project, multiplied by the aluation per pupil in net bership for the entire Com- divided by the total equal- ion per pupil in the total membership of the towns the region. However, no is to be approved for less rcent nor more than 65 per- approved cost. is distributed in accordance ved plans for financing the If a project is to be fi- hout any sale of bonds or grant is paid in five equal tallments. In case of other the grant is paid in equal tallments determined by di- total grant by the number of ng which any indebtedness in- refor remains outstanding, but han five equal annual install-	State share.--100 percent of approved grant amount. Local share.--Remainder of construction costs.	Requirements for participation.--Applications must be filed with, and approved by, the Department of Education. This fund is used to promote the planning and construction of school buildings for cities, towns,* and regional school districts and may be used to reimburse regional school districts for all or part of the related expenses incurred in the preparation of preliminary studies, plans, drawings, and estimates as well as assist in the cost of construction. * counties,

STATE SUPPORT, 1968--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for the calculated State program
TRANSPORTATION EXPENSE FUND (Chapter 71, Secs. 7A-7B, 46B; Ch. 74, Sec. 8A, Acts of 1964, General Laws) $13,326,786 (8.4%) Provides reimbursement for approved expenses in excess of $5 per annum per pupil for transportation of pupils once daily to and from school. In addition, Chapter 71, Section 7B of the Law provides for reimbursement of part of other direct and indirect costs such as pupil transportation by public transportation systems and reimbursement for indirect costs of cities and towns through the payment of an assessment made to meet the cost of maintaining a public transportation system, used for the transportation of school children over the routes of licensed public carriers. Both provisions are restricted to those pupils who live more than 1½ miles from the school they attend. Special provision is made for reimbursement of expenses incurred in transportation of handicapped and vocational education pupils.	State share.--100 percent of a amount of transportation expen excess of $5 per pupil. Local share.--approved costs u pupil.
SPECIAL EDUCATION FUND (Chapter 71, Secs. 46-46F, 46H, 46I; Ch. 69, Secs. 26, 28, 29-29D, 32, 33; and CH. 69, Secs. 26, 28, 33, General Laws) $ 11,367,150 (7.1%) Education of Mentally Retarded, Blind, Deaf, Aphasic, Physically Handicapped, Partially-Seeing, and Certain Emotionally Disturbed Children Fund. Reimbursement is provided for half the expenses of instruction, training, and support of children in the special classes, special instruction periods, or recreation programs actually rendered or furnished in school or at home, including travel expenses. The State provides total reimbursement to cities and towns providing approved classes for deaf or blind children and the cost of education, training, and support of deaf, blind, or aphasic children specifically referred to private schools by psychiatrists. The cost of instructing blind children in regular classes are also totally reimbursed in this fashion.	State-share.--100 percent of amount. Local share.--Remaining costs tional, training, and support children in special classes.

PUBLIC SCHOOL FINANCE PROGRAM

8--continued

ate Funds for the public schools and for program participation

rcent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$13,326,786 (8.4%) , Provides reimbursement for approved expenses in excess of $5 per annum per pupil for transportation of pupils once daily to and from school. In addition, Chapter 71, Section 7B of the Law provides for reimbursement of part of other direct and indirect costs such as pupil transportation by public transportation systems and reimbursement for indirect costs of cities and towns through the payment of an assessment made to meet the cost of maintaining a public transportation system, used for the transportation of school children over the routes of licensed public carriers. Both provisions are restricted to those pupils who live more than 1½ miles from the school they attend. Special provision is made for reimbursement of expenses incurred in transportation of handicapped and vocational education pupils.	State share.--100 percent of approved amount of transportation expenses in excess of $5 per pupil. Local share.--approved costs up to $5 per pupil.	Requirements for participation. Funds received must be used to pay the cost of providing public transportation or to reimburse a city or town for maintaining public transportation systems for pupils. Distribution.--Annually, in November.
$11,367,150 (7.1%) Reimbursement is provided for half the expenses of instruction, training, and support of children in the special classes, special instruction periods, or recreation programs actually rendered or furnished in school or at home, including travel expenses. The State provides total reimbursement to cities and towns providing approved classes for deaf or blind children and the cost of education, training, and support of deaf, blind, or aphasic children specifically referred to private schools by psychiatrists. The cost of instructing blind children in regular classes are also totally reimbursed in this fashion.	State-share.--100 percent of approved amount. Local share.--Remaining costs of instructional, training, and support costs for children in special classes.	Requirements for participation.--Districts must organize special classes for purposes of fund. Such classes must meet prescribed standards and requirements and be approved by the State Department of Education.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirem distric for
SCHOOL LUNCH FUND (Chapter 548, Secs. 1-8, as amended, General Laws.)	$3,694,470 (2.3%) Fund apportioned according to number and kind of meals.		Requirem systems records ditions Distribu
STATE WARDS FUND (Chapter 76, Secs. 7-10, General Laws)	$ 1,128,491 (0.7%) Payments for instructional costs of State wards, exclusive of general control, are made in the amount charged by the school committee but not at a rate in excess of the per pupil expenditure in the participating towns. Transportation allowances are paid to the towns furnishing the service at a rate per child equal to the average amount per week expended for other children.	State share.--100 percent of approved amount. Local share.--None.	Requirem school s under th Public W fund. A educatio and be a Public W

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nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$3,694,470 (2.3%) apportioned according to number ind of meals.		Requirements for participation.--School systems must maintain school lunch records and accounts and meet other conditions as specified by law. Distribution.--338 school districts.
$ 1,128,491 (0.7%) nts for instructional costs of wards, exclusive of general con- , are made in the amount charged by chool committee but not at a rate cess of the per pupil expenditure e participating towns. Transpor- n allowances are paid to the towns ishing the service at a rate per equal to the average amount per expended for other children.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--Only school systems enrolling children kept under the control of the Department of Public Welfare may receive aid from this fund. Applications for reimbursement of educational costs must be filed with, and be approved by, the Department of Public Welfare.

LOCAL SUPPORT, 1968

Provisions for Raising School Revenue

Property assessments.--Assessments are determined locally by an elected board of assessors. County commissioners or similar officials do not have authority to change the assessments of this board. There is no State authority to equalize assessments on a statewide basis, but the States do use State equalized valuations" or assessment equalizing ratios in calculating the distribution of State funds. The State Tax Commission, upon request, aids cities and towns in setting up an assessment system, furnishes materials needed for installation and maintenance of the system, and provides assessors with technical advice and assistance. Once installed, the State assessment system is controlling unless the city or town votes to abandon it.

Intermediate districts.--None.

Local districts.--A tax levy for schools is authorized by statute but there is no limit. Sufficient funds for the support of schools must be provided by towns and cities and not by the boards of education.

Provisions for School Indebtedness

Initiating bond issues.--Loans for school construction may be authorized by vote of the city council or town meeting and bonds may be issued by the city or town treasurers with the approval of the major or selectmen.

Limitations on issuance of bonds.--All bond issues must be serial and cannot be issued for more than 20 years.

Limitations on debt.--Statutory provisions limit the indebtedness which towns may incur for general purposes. The limit for towns is 5 percent of the average of the assessors' valuations of the taxable property for the three preceding years, and for cities the limit is 2.5 percent of the average of the assessors' valuation for the three preceding years. However, with the approval of the State Emergency Finance Board, the normal limit may be increased up to 10 percent in the case of towns and up to 5 percent in the case of cities.

Voting requirements.--A two-thirds vote of the town meeting in the case of towns and of the city council in the case of cities is required for the passage of school loan authorizations.

Approval and sale of bonds.--No special approval is required by the State for the sale of bonds. Bonds, usually sold on a fixed interest basis, do not have to be first offered to a State agency. There is no State assistance with the sale of bonds. Funds available from the sale of bonds and not immediately needed for building purposes, may be invested until the funds are required.

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Provisions for School Bud

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Provisions for School Aud

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the sale of bonds and not immediately
sted until the funds are required.

Bond records, tax levies, and payments.--Levies for debt service are made over and above those for the current school program. The local treasurer maintains all bond records and makes payment of the bonds.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budgets are prepared by local school officials in accordance with classifications prescribed by the State Department of Education. The school year begins July 1 and ends on June 30, but the fiscal year for all cities and towns is the calendar year.

Local approval.--School budgets are subject to review and approval by the municipal appropriating body which is the town meeting for school districts and the city council or board of aldermen for city school districts.

The budget for the ensuing year must be approved by the selectmen and all boards, committees, heads of departments, and other officers of a town authorized by law to expend money, at least 10 days before the end of the current fiscal year.

Within 45 days after the annual organization of the city government in any city other than Boston, the mayor shall submit to the city council the annual budget. The school committee prepares the budget needed. Cities or towns must under penalty, raise sufficient funds. All school budgets are available for public inspection. Printed budgets are furnished, in many instances, upon request.

State review or approval.--**No State agency has any responsibility for reviewing or approving school budgets.**

Provisions for School Audits

Audits are required of all school districts at least once every two years. Annual audits are required for regional school committees. Audits are made by the State Bureau of Accounts.

MICHIGAN
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

MICHIGAN PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Robert Hornberger, Director, Department Services Division, Michigan State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 50 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.
2. Approximately 58 percent of the State funds distributed for the public schools is derived from taxes earmarked, in total or in part, for the public schools. The balance of the State support money is from general fund appropriations.
3. State grant money distributed to school districts through the foundation program is 94.3 percent of all State grants for education.
4. The State foundation program is set at $348.00 to $499.75 per pupil plus allowances for transportation, special education, and tuition. This fund is for current expenditure purposes as authorized but allows up to 5 percent of the total aid received by the district to be used for capital outlay and debt service.
5. Three additional distributions account for the remaining 5.7 percent allotted to the school districts. Of these (1) 4.9 percent for special education, (2) .3 percent for special programs for underprivileged children, and (3) .5 percent for intermediate district services for county school districts.

LOCAL SUPPORT

1. For all practical purposes, the only tax source for county and local public school revenue is property taxes.
2. No county or local nonproperty taxes are authorized to be levied for the support of education.
3. Local school districts are required to levy at least a 10-mill tax to qualify fully for participation in the State foundation program.
4. Authorized county property taxes, levied only with electoral approval, are for programs for the mentally and phsycially handicapped.
5. Local taxes of up to 15 mills on the State-equalization valuation of taxable property may be levied for public purposes, including public education, without electoral approval. A county allocation board determines the portion of this levy which applies to schools.
6. Taxes above 15 mills up to a 50-mill maximum, including the 15 mills, may be levied by voter approval. This 50-mill limit is for current expenditures for public purposes including schools. Taxes for debt service are in addition to current operating levies.
7. There is no specified debt limit for refunding bonds and unlimited tax bonds qualified by the State Superintendent of Public Instruction. Practically all bond issues are qualified bonds. Districts issuing other than qualified bonds have a debt limit of 15 percent of the State-equalization assessed valuation of the district.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares fo the calculated State progra
Total	$615,014,670 (100.0%)	
SCHOOL AID FUND--Foundation Program Portion (Act No. 312 of the Public Acts of 1957, as amended)	[1]$579,764,670 (94.3%)	State share.--Calculated amou
Current expense, grades K-12.....	Basic Allowance: Districts having a State-equalized valuation of $21,000 or more per pupil Formula (A): $348 per pupil in ADM	Local share.--For $348 per pu Level Amount from a 7.0 mill State-equalized valuation of erty (for districts of $21,00 pupil valuation.)
	Basic Allowance: Districts having a State-equalized valuation of $12,737 - $20,000 per pupil Formula (B): $326.75 per pupil in ADM	For $326.75 per pupil Program from a 5.86 mill levy on the zed valuation of property (fo $12,737 - $20,999 or more per tion.)
	Basic Allowance: Districts having a State-equalized valuation of $9,920 - $12,736 per pupil Formula (C): $474.75 per pupil in ADM	For $474.75 per pupil Progra from a 17.48 mill levy on the zed valuation of taxable prop tricts of $9,920 - $12,736 or pil valuation.)
	Basic Allowance: Districts having a State-equalized valuation of $9,919 or less per pupil Formula (D): $499.75 per pupil in ADM	For $499.75 per pupil Program from a 20 mill levy on the St valuation of taxable propert tricts of $9,919 or less per tion.)
Tuition allowance...............	Cost of tuition in excess of $50 and less than $81 plus all over $150 of receiving school's minimum rate per pupil.	
Pupil transportation............	Allowable amount up to 75 percent of cost.	
General (bus)................	Capital outlay allowance of $16 per child transported or per unit of rated capacity, whichever is less. Operating allowance of 21 cents to 26 cents per mile based on pupils transported per certified daily mile traveled. $60 per bus insurance allowance. $15 per driver attending 8 or more class hours or actual cost of driver education, whichever is less, plus allowances for driver's time and expenses to attend classes.	
Mentally and physically handicapped and emotionally disturbed children.....	Approved expense [illegible]o $200 per such pupil but not to exceed 75 percent of cost.	

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[1] Includes $22,300,000 for Tuition and Transportation and $12,800,000 for Other Programs.

PUBLIC SCHOOL FINANCE PROGRAM

PPORT, 1968-69

State funds for the public schools and for program participation

percent of State funds for school support, ion of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . . . . $615,014,670 (100.0%)		
am ic Acts [1]/$579,764,670 (94.3%)		
.. Basic Allowance: Districts having a State-equalized valuation of $21,000 or more per pupil Formula (A): $348 per pupil in ADM	State share.--Calculated amount minus local share. Local share.--For $348 per pupil Program Level Amount from a 7.0 mill levy on the State-equalized valuation of taxable property (for districts of $21,000 or more per pupil valuation.)	Requirements for participation.--Levy a tax of at least 10 mills on the State-equalized valuation for full aid or 8 mills minimum; operate schools at least 9 months; make necessary reports; and charge and collect legal amounts for tuition. Districts having 350 or more ADM may not receive receive estimated aid for membership in excess of a ratio of 34 per teacher. Extent of participation.--Number of districts, Formula A--108; Formula B--220; Formula C--174; and Formula D--209 districts. Distribution.--Six times a year.
Basic Allowance: Districts having a State-equalized valuation of $12,737 - $20,000 per pupil Formula (B): $326.75 per pupil in ADM	For $326.75 per pupil Program Level Amount from a 5.86 mill levy on the State-equalized valuation of property (for districts of $12,737 - $20,999 or more per pupil valuation.)	
Basic Allowance: Districts having a State-equalized valuation of $9,920 $12,736 per pupil Formula (C): $474.75 per pupil in ADM	For $474.75 per pupil Program Level Amount from a 17.48 mill levy on the State-equalized valuation of taxable property (for districts of $9,920 - $12,736 or more per pupil valuation.)	
Basic Allowance: Districts having a State-equalized valuation of $9,919 or less per pupil Formula (D): $499.75 per pupil in ADM	For $499.75 per pupil Program Level Amount from a 20 mill levy on the State-equalized valuation of taxable property (for districts of $9,919 or less per pupil valuation.)	
.. Cost of tuition in excess of $50 and less than $81 plus all over $150 of receiving school's minimum rate per pupil.		
.. Allowable amount up to 75 percent of cost.		
.. Capital outlay allowance of $16 per child transported or per unit of rated capacity, whichever is less. Operating allowance of 21 cents to 26 cents per mile based on pupils transported per certified daily mile traveled. $60 per bus insurance allowance. $15 per driver attending 8 or more class hours or actual cost of driver education, whichever is less, plus allowances for driver's time and expenses to attend classes.		
Approved expense up to $200 per such pupil but not to exceed 75 percent of .. cost.		

on and Transportation and

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requireme districts for
SCHOOL AID FUND--Special Education Portion (Act No. 312 of the Public Acts of 1957, as amended.) $ 30,000,000 (4.9%) Special education portion........ $326.75 per each pupil unit in ADM Physically handicapped........... 4 units per each such child Mentally handicapped............ 2 units per each such child Programs for emotionally disturbed homebound or hospitalized and for speech correction and visiting teachers..... $7,700 per approved teacher	State share.--75 percent of calculated amount or actual cost, whichever is smaller Local share.--Balance of cost for special education.	Requireme must oper necessary ate distr program years of der other capped ch Extent o tricts. Distribut ber 1, Fe
SPECIAL AID FUND--Educational Programs for Underprivileged Children Portion (Acts of 312 of the Public Acts of 1957, as amended.) $ 2,000,000 (0.3%) Amount expended for approved programs.	State share.--Percentage of expense for approved programs based on the relationship of total amount claimed and the total amount available. Local share.--All costs not covered by reimbursement.	Requireme must esta signed t children Extent o Distribu August, and June
SCHOOL AID FUND--Intermediate Districts Portion. (Act No. 312 of the Public Acts of 1957, as amended.) $ 3,250,000 (0.5%) County administrative and supervisory services.................. Percentage of the intermediate districts budget equal to the percentage of the constituent districts' total expenditures for operating purposes supplied by the State, plus $3,500 if the county is included in an annexation or consolidation.	State share.--100 percent of calculated amount. Local share.--None.	Requirem operate administ Extent o Distribu August, and June
SCHOOL BOND LOAN FUND (Sec. 28, Art. X, Constitution as amended; Acts No. 202 of 1943, 269 of 1955, and 108 and 112 of 1961, as amended.) (Est. 1967-68) $4,000,000 Amount required to pay principal and interest.	State share.--State is authorized to borrow up to $100,000,000 for loans in qualified districts to pay debt service cost above that provided by a 13-mill debt service levy. Local share.--13-mill levy on district's State-equalized valuation until debt service costs and State loan amounts are fully repaid.	Requirem mal appl and issu conditio ect need as appro Extent Distribu as funds

1968-69 --continued

funds for the public schools and for program participation

nt of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ion $ 30,000,000 (4.9%) , 326.75 per each pupil unit in ADM units per each such child units per each such child 7,700 per approved teacher	State share.--75 percent of calculated amount or actual cost, whichever is smaller. Local share.--Balance of cost for special education.	Requirements for participation.--District must operate approved program and provide necessary reports, claims, etc. Intermediate district must establish and provide a program for trainable children up to 21 years of age not eligible for training under other programs for the mentally handicapped children. Extent of participation.--600 school districts. Distribution.--August 1, October 1, December 1, February 1, and June 1.
for $ 2,000,000 (0.3%) , mount expended for approved programs.	State share.--Percentage of expense for approved programs based on the relationship of total amount claimed and the total amount available. Local share.--All costs not covered by reimbursement.	Requirements for participation.--District must establish and operate a program designed to meet the needs of underprivileged children. Extent of participation.--31 school districts. Distribution.--Six times a year; first day of August, October, December, February, April and June.
$ 3,250,000 (0.5%) ts ercentage of the intermediate districts udget equal to the percentage of the onstituent districts' total expendi- ures for operating purposes supplied by he State, plus $3,500 if the county is ncluded in an annexation or consolida- ion.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--County must operate an Intermediate district and provide administrative and supervisory services. Extent of participation.--60 counties. Distribution.--Six times a year:first day of August, October, December, February, April and June.
(Est. 1967-68) $4,000,000 f mount required to pay principal and nterest.	State share.--State is authorized to borrow up to $100,000,000 for loans in qualified districts to pay debt service cost above that provided by a 13-mill debt service levy. Local share.--13-mill levy on district's State-equalized valuation until debt service costs and State loan amounts are fully repaid.	Requirements for participation.--Make formal application to Chief State School Officer, and issue bonds in accordance with program conditions. Evidence must be given of project need, and funds must be used for purpose, as approved. Extent of participation.--25 school districts. Distribution.--Made as loans to districts, as funds are needed for approved projects.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Assessed valuations are established by local assessors who are chosen by popular vote except in the cities and towns where they are appointed. Valuations may be adjusted and equalized by both the county board of supervisors and the State Tax Commission. Action of the State Tax Commission may be taken if one local assessor objects to the valuations fixed by the county board. In addition to making adjustments, the State Tax Commission establishes ratios for the counties which are used in the allocation of the State-equalization funds and to alter the effect of tax rate limits on tax productivity and local debt limits on borrowing. Equalization is achieved by a change in the local tax rate rather than in the level of assessments.

Intermediate districts.--To support programs for the mentally and physically handicapped, taxes may be raised by special countywide election above the 15-mill local limit. Funds are collected and expended by the county school districts for this purpose.

Local districts.--Approximately 90 percent of local district funds comes from the general property tax. Remaining amounts are obtained from tuition and transportation fees.

The State Constitution provides that a maximum of 15 mills on State-equalization assessments may be levied without a vote of the people. A county allocation board has authority to allocate this maximum among the local taxing units. The electorate may vote to increase the 15 mills to 18 mills and fix the rates for the school districts, county and township governments. If so, there is no longer a need for an allocation board. The Constitution also authorizes a maximum of 50 mills, requiring that the millage above 15 or 18 be approved by a majority of the electors participating in the election. Levies for debt service and capital outlay are in addition to levies for current expense.

Provisions for School Indebtedness

Initiating bond issues.--Proposals for school bond issues are initiated by the local school board.

Limitations on issuance of bonds.--Limited tax bonds may be issued for a period not to exceed 20 years for the purpose of financing capital outlay projects, including school buses; unlimited tax bonds may be issued for a period up to 30 years. Only serial bonds may be issued.

Limitations on debt.--The total of outstanding indebtedness is constitutionally limited to 15 percent of the State-equalized assessed valuation of the district, except that refunding bonds and all unlimited tax bonds qualified by the Superintendent of Public Instruction for purposes of a State loan, if such a loan is required, may be issued in excess of this limitation. No State agency has authority to fix the debt limit or approve a higher debt limit in special cases.

Voting requirements.--Bond issues must be approved by vote of a majority of the taxpaying electors present at the election. It is also necessary, except in the case of unlimited tax bonds, that a majority of all qualified electors present at the election vote to exceed the 15-mill limitation in order that sufficient taxes can be levied to retire the bonds.

Approval and sale of bonds.--Befor
electors may be sold, the approval of t
necessary. If a bond issue is to be qu
Public Instruction for purposes of a St
prior to the sale of the bonds. Bonds
interest rate. The State does not assi
sary that the bonds be offered first to
use of funds from the sale of bonds is

Bond records, tax levies, and paym
in the case of unlimited tax bonds, it
tors authorize the school board to levy
school program. The school board is re
records and retirement. Yearly reports
Commission showing bonds outstanding an

Short-term indebtedness.--To meet
board, with the approval of the Municip
against the anticipated yield of its cu
repaid when the taxes are received. Wh
and site fund, the district may borrow
pated tax collections with the approval
Only in the purchase of school buses ma
extending over a period of years withou
retired from State aid funds or from lo

BUDGETS

Provisions for School Budgets

Budget forms.--The intermediate di
es the forms for small districts and th
the type of form to be used by all dist
intendent of schools is available as a
is a member of the county tax allocatio
no authority in relation to the school
the full responsibility for completing
school fiscal year begins on July 1 and

Local approval.--The county tax al
prorating the constitutional maximum of
districts, counties, cities, and townsh
allocation board on or before the secon
required.

State review or approval.--Approv
from any State agency, and no copies h
than the allocation board.

tions are established by local assessors
he cities and towns where they are
equalized by both the county board of
Action of the State Tax Commission may
the valuations fixed by the county board.
te Tax Commission establishes ratios for
ion of the State-equalization funds and
tax productivity and local debt limits on
change in the local tax rate rather than

rograms for the mentally and physically
countywide election above the 15-mill
nded by the county school districts for

rcent of local district funds comes from
s are obtained from tuition and trans-

maximum of 15 mills on State-equal-
vote of the people. A county alloca-
aximum among the local taxing units.
mills to 18 mills and fix the rates
ip governments. If so, there is no
Constitution also authorizes a maxi-
above 15 or 18 be approved by a
he election. Levies for debt service
s for current expense.

school bond issues are initiated by

ited tax bonds may be issued for a
se of financing capital outlay proj-
bonds may be issued for a period up
ed.

standing indebtedness is constitu-
-equalized assessed valuation of the
ll unlimited tax bonds qualified
for purposes of a State loan, if
xcess of this limitation. No State
or approve a higher debt limit in

be approved by vote of a majority
ection. It is also necessary, ex-
at a majority of all qualified
ceed the 15-mill limitation in
o retire the bonds.

Approval and sale of bonds.--Before any bond issue authorized by the electors may be sold, the approval of the Municipal Finance Commission is necessary. If a bond issue is to be qualified by the Superintendent of Public Instruction for purposes of a State loan, the issue must be qualified prior to the sale of the bonds. Bonds are sold through bids at a fixed interest rate. The State does not assist in the sale, and it is not necessary that the bonds be offered first to a State agency. If the immediate use of funds from the sale of bonds is not required, the funds may be invested.

Bond records, tax levies, and payments.--In all bond elections, except in the case of unlimited tax bonds, it is necessary that the qualified electors authorize the school board to levy taxes above those for the current school program. The school board is responsible for the handling of bond records and retirement. Yearly reports must be sent to the Municipal Finance Commission showing bonds outstanding and the condition of the bond fund.

Short-term indebtedness.--To meet current operating deficits, a school board, with the approval of the Municipal Finance Commission, may borrow against the anticipated yield of its current tax levy. Such loans must be repaid when the taxes are received. When a district has voted a building and site fund, the district may borrow against the next 2 years of anticipated tax collections with the approval of the Municipal Finance Commission. Only in the purchase of school buses may a district enter into a contract extending over a period of years without approval. Such indebtedness may be retired from State aid funds or from local revenues.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--The intermediate district superintendent of schools furnishes the forms for small districts and the county tax allocation board recommends the type of form to be used by all districts. The intermediate district superintendent of schools is available as a consultant to the local districts and is a member of the county tax allocation board. The tax allocation board has no authority in relation to the school budget. Local school officials have the full responsibility for completing and recommending the school budget. The school fiscal year begins on July 1 and ends on June 30.

Local approval.--The county tax allocation board has the responsibility of prorating the constitutional maximum of 15 mills among the requesting school districts, counties, cities, and townships. Budgets must be filed with the allocation board on or before the second Monday in May. A public hearing is required.

State review or approval.--Approval of budgets does not have to be secured from any State agency, and no copies have to be filed with any agency other than the allocation board.

MICHIGAN

Provisions for School Audits

School districts are required to have audits of their financial records at least once every three years at their own expense by certified public accountants as required by the Superintendent of Public Instruction. An exception is made in the case of a first-class city which may audit its records t of the audit general of the city. Reports are to be filed w tendent of Public Instruction and made available for public

of their financial records at
e by certified public accountants
ruction. An exception is made in
the case of a first-class city which may audit its records through the offices of the audit general of the city. Reports are to be filed with the Superintendent of Public Instruction and made available for public inspection.

MINNESOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

MINNESOTA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State doc
by the State departments of education and the U.S. Office of Education, providing current pro
support for local school services. Alf F. Harbo, Research Consultant, State Department of Ed
authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 40 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.
2. Approximately 6 percent of the State funds for distribution to the public school systems is derived from income earned by the Endowment Income Fund. All except a small portion of the balance of State aid is provided through income taxes earmarked for the public schools.
3. The 6 largest State-grant distributions for public schools account for 98.4 percent of the State apportionments as follows: Foundation Program Aid, 76.7 percent; Transportation Aid, 7.3 percent; Endowment Income Fund, 3.8 percent; Income Tax School Aid, 3.5 percent; Vocational Education Fund, 3.8 percent; Special Education for Handicapped, 3.3 percent.
4. Foundation Program Aid makes available to all districts the larger of (a) a school support level of $355 per weighted pupil in average daily attendance (ADA), including receipts from the required local tax and apportionments from the Endowment Income Fund and Income Tax School Aid; or (b) $127 per weighted pupil in ADA, including the amount from the Endowment Income Fund and Income Tax School Aid.
5. The maximum Transportation Aid is $60 per pupil per year except for larger allowances for handicapped children.
6. Apportionments from the Endowment Income Fund amounted to $12 per pupil in ADA in 1968-69. Apportionments from the Income Tax School Aid distribution are $10 per census child.
7. The remaining 1.7 percent of State-grant money is apportioned through 8 separate distributions.

LO

1. Approximately 99 percent
from taxation is obtained

2. The remaining 1 percent o
from nonproperty taxes le
ling taxes, and miscellan

3. Local boards of education
amounts per pupil unit or
the Consumers Price Index
Statistics. There is no
by electoral approval.

4. Districts may levy as much
Aid Review Committee valu
and for the construction
is in addition to the tax
levied either by board ac
kind of district.

5. Local district indebtednes
is limited to 10 percent
value as determined by the
Special laws authorize ce
stated in Minnesota statu

MINNESOTA
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

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tendance (ADA), including receipts from the required
apportionments from the Endowment Income Fund and
chool Aid; or (b) $127 per weighted pupil in ADA, in-
amount from the Endowment Income Fund and Income Tax

Transportation Aid is $60 per pupil per year except
llowances for handicapped children.

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in 1968-69. Apportionments from the Income Tax
istribution are $10 per census child.

g 1.7 percent of State-grant money is apportioned
parate distributions.

LOCAL SUPPORT

1. Approximately 99 percent of the county and local school revenue from taxation is obtained from property taxes.

2. The remaining 1 percent of county and local school revenue is from nonproperty taxes levied as mortgage registry, grain handling taxes, and miscellaneous taxes.

3. Local boards of education authorize taxes limited to specified amounts per pupil unit or per capita as modified by changes in the Consumers Price Index issued by the U.S. Bureau of Labor Statistics. There is no provision for exceeding these limits by electoral approval.

4. Districts may levy as much as an 8-mill tax on the Equalization Aid Review Committee valuation for the acquisition of school sites and for the construction and equipping of school buildings. This is in addition to the tax to be levied for debt service and is levied either by board action or by popular vote, depending on the kind of district.

5. Local district indebtedness for all purposes, including schools, is limited to 10 percent of the correct full and true market value as determined by the Equalization Aid Review Committee. Special laws authorize certain districts to exceed debt limits stated in Minnesota statutes.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for support of the calculated State program allowance	Requi dist
Total		$258,991,752	(100.0%)		
FOUNDATION PROGRAM AID (Ch. 769, H.F. 2507, Laws of 1967)		$198,586,752	(76.7%)	State share.--Formula A: Foundation program amount minus: Local share Receipts from income tax school aid Receipts from endowment income fund Formula B: A minimum of $127, minus receipts from income tax school aid and endowment fund, per weighted unit is provided for all districts which levy the local tax rate specified for the foundation program. If less than $355 per pupil unit is spent, the aid is reduced, but not below the receipts from the endowment school fund. Local share.--19-mill tax on the adjusted assessed valuation. Local receipts pertaining to taconite are included as well as the valuation of tax-exempt property for which the district obtains refund. Federal aid is not included in calculations P.L. 874 is in addition to other aids.	Requi must inspe to th least schoo Exten visio visio Distr Augus distr
Current expense, grades K-12...	$355 per weighted unit of ADA, but not to exceed actual maintenance cost plus debt service.				
Kindergarten....................	.5 weighted units per pupil in ADA;				
Elementary grades..............	1.0 weighted units per pupil in ADA; and				
Secondary grades and area vocational schools.............	1.5 weighted units per pupil in ADA.				
Public School Services for pupils enrolled in nonprofit private schools.......................	Children may not be concurrently enrolled (dual enrollment or shared time) part time in a public school and part time in a private school. Consequently only public school pupils are counted in determining State program amount.				
TRANSPORTATION AID (Sec. 124.22, Minnesota Statutes 1965.)		$19,000,000	(7.3%)	State share.--100 percent of calculated amount. Local share.--At least 20 percent of cost for pupils in independent districts. Counties are required to pay 20 percent of the State amount for nonresident secondary and area vocational-technical school pupils and the counties may pay for reasonable costs in excess of this amount.	Requi above tain less 12, t trans Exten trict Distr
Independent districts..........	80 percent of cost to $60 per pupil transported or boarded.				
ENDOWMENT INCOME FUND (Sec. 124.09 Minnesota Statutes, 1965, established by the Constitution.)		$ 9,750,000	(3.8%)	State share.--100 percent of calculated amount. Local share.--None.	Requi a sch Exten distr Distr
Nonrestricted, grades K-12.................	Amount per resident pupil in ADA, ages 5 to 20, inclusive ($12 per pupil in ADA)				
VOCATIONAL EDUCATION (Sec. 124.57 Minnesota Statutes 1965.)		$9,900,000	(3.8%)	State share.--100 percent of approved amount or pro-rata share of the amount listed, plus Federal support for this program. Local share.--All costs not covered by reimbursement.	Requi must ance tion. Exten trict Distr
	Amount of approved expenditure.				

the public schools and for program participation

funds for school support, llowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$258,991,752 (100.0%)		
$198,586,752 (76.7%) ghted unit of ADA, but not tual maintenance cost plus nits per pupil in ADA; units per pupil in ADA; and units per pupil in ADA. not be concurrently enroll- ollment or shared time) part lic school and part time in ool. Consequently only pupils are counted in de- te program amount.	State share.--Formula A: Foundation program amount minus: Local share Receipts from income tax school aid Receipts from endowment income fund Formula B: A minimum of $127, minus receipts from income tax school aid and endowment fund, per weighted unit is provided for all districts which levy the local tax rate specified for the foundation program. If less than $355 per pupil unit is spent, the aid is reduced, but not below the receipts from the endowment school fund. Local share.--19-mill tax on the adjusted assessed valuation. Local receipts pertaining to taconite are included as well as the valuation of tax-exempt property for which the district obtains refund. Federal aid is not included in calculations P.L. 874 is in addition to other aids.	Requirements for participation.--Schools must be open to State Board of Education inspection and records and accounts open to the public examiners. Provide at least 9 months of instruction during the school year; furnish free textbooks. Extent of participation.--Equalizing provisions, 840 districts; fixed grant provisions, 160 districts. Distributed in September, March, and August with about 90 percent of total distributed before August.
$19,000,000 (7.3%) f cost to $60 per pupil or boarded.	State share.--100 percent of calculated amount. Local share.--At least 20 percent of cost for pupils in independent districts. Counties are required to pay 20 percent of the State amount for nonresident secondary and area vocational-technical school pupils and the counties may pay for reasonable costs in excess of this amount.	Requirements for participation.--Same as above--also independent districts must contain at least 18 sections of land, or if less than 18 sections of land, but more than 12, the district must have been eligible for transportation prior to July 1, 1957. Extent of participation.--1,000 school districts. Distributed in September.
$ 9,750,000 (3.8%) esident pupil in ADA, ages lusive ($12 per pupil in ADA)	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Maintain a school term of at least 9 months. Extent of participation.--1,000 school districts. Distributed in October and March.
$9,900,000 (3.8%) proved expenditure.	State share.--100 percent of approved amount or pro-rata share of the amount listed, plus Federal support for this program. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Program must be organized and operated in accordance with State plan for Vocational Education. Extent of participation.--367 school districts. Distributed as reimbursement in September.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for suppo the calculated State program allo
INCOME TAX SCHOOL AID (Sec. 290.62, Minnesota Statutes, 1965)		$9,000,000	(3.5%)	State share.--100 percent of calcul amount.
Nonrestricted, grades K-12................	$10 per person 6-16 years of age, inclusive. To be counted, a 16-year-old must be in attendance in school.			Local share.--None.
AID FOR SPECIAL CLASSES OF HANDICAPPED AND TRAINABLE CHILDREN. (Secs. 120.17, 120.18, 124.32, 124.33, Minnesota Statutes, 1965 and Ch. 853, Laws of 1967.)		$8,500,000	(3.3%)	State share.--100 percent of calcul amount. Local share.--Minimum of 1/3 of sal essential personnel for the State-d program and all additional program
Salary of essential personnel and $4,000 for trainable.....	Up to $4,400 for handicapped staff member, but not more than 2/3 of salary and a pro rata share for a part-time person.			
Supplies and equipment.........	Cost of supplies and equipment up to $50 per child.			
GROSS EARNINGS REFUND (Sec. 124.28, Minnesota Statutes,1965.)		$ 1,560,000	(.6%)	State share.--100 percent of calcul amount.
Nonrestricted, grades K-12.....	Local tax rate, up to 160 mills, times 30 percent of full and true value of exempted railroad property; valuation plus value of other district property not to exceed $3,000 per-pupil unit.			Local share.--None, but amount of S calculated on allowanle railroad pr value is based on current local sch rate.
ADDITIONAL AIDS TO DISTRICTS WITH DECREASING AUDITORS'ASSESSED VALUES. (Ch. 731, Laws of 1967.)		$ 750,000	(.3%)	State share.--100 percent of calcul amount.
General use, grades K-12.......	Additional aids to any district maintaining a classified secondary school whose auditors assessed value has decreased in excess of 8 percent during the previous year or whose average decline between the year 1962 and the current year exceeds 8 percent.			
EMERGENCY AID (Sec. 124.24, Minnesota Statutes,1965)		$ 700,000	(.3%)	State share.--100 percent of approv amount.
Emergency aid, as approved.....	Amount of deficit in local revenue to satisfy State standards.			Local share.--None. State amount on full utilization of other funds able to the district.

1968-69--continued

MINNESOTA

State Funds for the public schools and for program participation

percent of State funds for school support, on of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
1965) $9,000,000 (3.5%) $10 per person 6-16 years of age, inclusive. To be counted, a 16-year-old must be in attendance in school.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Money must be used for lawful school purposes. Extent of participation.--1,000 school districts. Distributed in December and March.
PPED AND , 120.18, , 1965 and $8,500,000 (3.3%) Up to $4,400 for handicapped staff member, but not more than 2/3 of salary and a pro rata share for a part-time person. Cost of supplies and equipment up to $50 per child.	State share.--100 percent of calculated amount. Local share.--Minimum of 1/3 of salary for essential personnel for the State-defined program and all additional program costs.	Requirements for participation.--Provide special education instruction and services locally or through another district, in a college or university laboratory school, State residential school, or institution. Extent of participation.--425 school districts. Distributed as reimbursement in September.
65.) $ 1,560,000 (.6%) Local tax rate, up to 160 mills, times 30 percent of full and true value of exempted railroad property; valuation plus value of other district property not to exceed $3,000 per-pupil unit.	State share.--100 percent of calculated amount. Local share.--None, but amount of State aid calculated on allowanle railroad property value is based on current local school tax rate.	Requirements for participation.--At least 20 percent of district property valuation in railroad property exempt from local taxation. Extent of participation.--8 school districts. Distributed in the autumn.
ECREAS- $ 750,000 (.3%) Additional aids to any district maintaining a classified secondary school whose auditors assessed value has decreased in excess of 8 percent during the previous year or whose average decline between the year 1962 and the current year exceeds 8 percent.	State share.--100 percent of calculated amount.	Extent of participation.--9 school districts. Distributed in December.
65) $ 700,000 (.3%) Amount of deficit in local revenue to satisfy State standards.	State share.--100 percent of approved amount. Local share.--None. State amount is based on full utilization of other funds available to the district.	Requirements for participation.--Same requirements as shown for Foundation Program Aid. Also, district must make application for participation as a distressed district and use funds for purposes indicated in the approval. Districts must be unable to collect tax revenue to maintain its school and maintain State standards. Extent of participation.--9 school districts. Distributed quarterly.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for support of the calculated State program allowance	Requirements district pa for dist
COMMUNITY SCHOOL LUNCH (Ch. 89, Sec. 2, subdivision 6, Acts of 1965.)		$ 500,000	(.2%)	State share.--100 percent of calculated amount. Local share.--None.	Requirements must be prov services. Extent of pa tricts. Distributed
	Amount per meal, by type of meal served.				
AID IN LIEU OF NONTAXABLE LAND (Sec. 124.30 Minnesota Statutes, 1965.)		$ 375,000	(.1%)	State share.--100 percent of calculated amount.	Requirements 40 percent c be exempt fr of district pupil.
Nonrestricted, grades K-12.....	10 cents per acre of nontaxable land to maximum of $25 per-pupil unit and $25,000 district.			Local share.--None.	Extent of pa tricts. Distributed
COUNTY EQUALIZATION AID (Sec. 124.51, Minnesota Statutes, 1965.)		$ 200,000	(.1%)	State share.--50 percent of amount by which calculated State program allowance exceeds 50 percent of the average county rate of such taxes for all counties.	Requirements tax levy for least 50 per wide average
County nonresident pupil tuition.....................	Cost of nonresident tuition, including $10 per-pupil unit for capital outlay and debt service, minus the amount of State aid per such pupil.			Local share.--150 percent of average county tax rate for nonresident tuition, plus an amount equal to the calculated State share.	Extent of pa Distributed
AIRPORT REFUND (Sec. 360.133, Minnesota Statutes, 1965.)		$ 120,000	(.1%)	State share.--100 percent of calculated amount, but not to exceed 20 percent of amount levied locally for school purposes.	Requirements must have be for a major
General use, grades K-12.......	30 percent of full and true value of detached property used for a major airport, but value plus value of other district property not to exceed $2,600 per-pupil unit, multiplied by the local school tax rate.			Local share.--None, but amount of State aid is based on current local school tax rate.	Extent of pa tricts. Distributed

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r the public schools and for program participation

e funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 500,000 (.2%) eal, by type of meal served.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Schools must be providing approved school lunch services. Extent of participation.--590 school districts. Distributed monthly.
$ 375,000 (.1%) r acre of nontaxable land to 525 per-pupil unit and rict.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--At least 40 percent of district's land area must be exempt from taxes. Assessed valuation of district must be less than $1,300 per pupil. Extent of participation.--39 school districts. Distributed in the autumn.
$ 200,000 (.1%) resident tuition, including il unit for capital outlay rvice, minus the amount of er such pupil.	State share.--50 percent of amount by which calculated State program allowance exceeds 50 percent of the average county rate of such taxes for all counties. Local share.--150 percent of average county tax rate for nonresident tuition, plus an amount equal to the calculated State share.	Requirements for participation.--County tax levy for tuition purposes must be at least 50 percent greater than the statewide average county levy for this purpose. Extent of participation.--5 counties. Distributed in August.
$ 120,000 (.1%) of full and true value of operty used for a major air- alue plus value of other dis- rty not to exceed $2,600 per- multiplied by the local rate.	State share.--100 percent of calculated amount, but not to exceed 20 percent of amount levied locally for school purposes. Local share.--None, but amount of State aid is based on current local school tax rate.	Requirements for participation.--Property must have been detached from the tax base for a major airport. Extent of participation.--2 school districts. Distributed in the autumn.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for suppo the calculated State program allo
AID IN LIEU OF STATE TRUST FUND LANDS (Sec. 124.31, Minnesota Statutes, 1965.) $ 50,000 (00) Current expense, grades 1-12... 5 cents per acre of State-owned trust fund land to a maximum of $15 per pupil enrolled in grades 1-12.	State share.--100 percent of calcu amount. Local share.--None.
STATE LOAN FUND MAXIMUM EFFORT SCHOOL LOAN FUND (Secs. 124.35 to 124.47, Minnesota Statutes, 1965, and Ch. 583, Laws of 1967.) 1/ $ 2,800,000 Debt service and school facilities.................. 1. Debt service loans Amount of approved application, but not to exceed 1 percent of the outstanding school debt of the district: 2. Capital loans To quality: Districts must have a net debt in excess of 98 percent of debt limit or be within $20,000 of such limit. Debt limit is 10 percent of the "correct full and true value" -- **Equalization Aid Review Committee** valuation. There are no formulas for determining amounts of debt service and capital loans. The committee determines amounts of loans according to need and available funds.	State share.--Loans in the amounts proved are for 30 years. Local share.--Levy qualifying tax that exceeds 5.5 mills on correct and true value of taxable propert percent or $5,000, whichever is l Loans must be repaid in 30 years with a 3½ percent rate of interes

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1/ Amount is total for the 1967-69 biennium.

MINNESOTA

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the public schools and for program participation

funds for school support, llowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 50,000 (00) acre of State-owned trust o a maximum of $15 per pupil grades 1-12.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--District must have two or more sections of State-owned trust fund lands which have not been sold or leased. Extent of participation.--39 school districts. Distributed in the autumn.
1/ $ 2,800,000 rvice loans of approved application, to exceed 1 percent of the ding school debt of the t: loans To quality: ts must have a net debt in of 98 percent of debt limit ithin $20,000 of such limit. mit is 10 percent of the t full and true value" -- **ation Aid Review Committee** on. There are no formulas ermining amounts of debt and capital loans. The com- determines amounts of loans ng to need and available	State share.--Loans in the amounts approved are for 30 years. Local share.--Levy qualifying tax rate that exceeds 5.5 mills on correct full and true value of taxable property by 10 percent or $5,000, whichever is less. Loans must be repaid in 30 years along with a 3½ percent rate of interest.	Requirements for participation.--Submit application for participation and obtain approval by the State School Loan Committee composed of State Commissioners of Education, Administration, and Taxation. Loan applications to be submitted between July 1 and October 1 of each year. Extent of participation.--An estimated 10 to 20 school districts will obtain approval loans from this fund during the biennium. Distributed as applications are approved.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Valuations of property for purposes of taxation are determined by city, village, and township assessors under the direction of a county assessing officer. All assessments are subject to review by local boards of review and county boards of equalization. The State Commissioner of Taxation exercises general supervision over the work of all assessing officers and also serves on the State Board of Equalization. A continuing program of assessment ratio study is conducted by the Commissioner of Taxation and the information is used in the apportioning of State aid to school districts.

Intermediate sources.--There is a mandatory county tuition and transportation tax for the payment of tuition and transportation expense of nonresident high school students. The tax for tuition and transportation is levied against all property that is not included in a district which supports a high school.

Local districts.--The budget approved by the local school authorities and the local levy established to support it are limited to the larger of $326 per resident pupil unit in grades K-12, plus debt service requirements, or varying amounts per capita, based on population of the district. These amounts are adjusted by statutory provision to changes in the U.S. Bureau of Labor Statistics cost of living index. There is no provision whereby the people may authorize a levy in excess of this maximum for current operation, but the district can levy as much as [illegible] mills on the Equalization Aid Review Committee valuation for acquisition of sites and construction and equipping of school buildings. This tax may be authorized by school boards in city and high school districts, but a vote of the people is required in rural districts. The levy for debt service may be in addition to the per capita limitation and is not limited as to millage. Non-property taxes for school support include mortgage registry tax, grain-handling tax, excise tax on national and State banks, tax on shares of joint stock-land banks, and tax on electrical cooperative associations.

Initiating bond issues.--The school district has complete responsibility for initiating bond issues.

Limitations on issuance of bonds.--School bonds may be issued only for capital outlay purposes, but warrants may be issued and refunded for other school purposes. All bonds must be issued as serial bonds and may not be issued for a period of more than 30 years.

Limitations on debt.--The amount of school bonds issued may not exceed 15 percent of the assessed valuation if the money is to be borrowed from the State Board of Investment. This limitation applies not only to school bonds but to bonds for all purposes. The limitation on bonded indebtedness is 10 percent of the correct full and true value as determined by the Equalization Aid Review Committee. No State agency has authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements.--For all bond issues, except in certain special school districts, a favorable vote of a majority of the qualified electors who participate in the special election is necessary for approval of the bonds.

Approval and sale of bonds.--No Sta
usually sold on a fixed interest basis.
of bonds and it is not necessary for the
Funds available from the sale of bonds

Bond records, tax levies, and payme
retire school-bonded indebtedness are n
districts for their current program. L
debtedness may be over and above the pe
for sites and buildings. Bond records
necessary levies for debt service are d

Short-term indebtedness.--School B
ness in anticipation of revenue include
If these revenues fail to materialize,
bearing orders which must be retired by
in the school budget for the year immed
orders are issued.

BUDGETS

Provisions for School Budgets

Budget forms.--School budget forms
furnished by the State Department of E
few independent school districts, the
July 1 and ends June 30.

Local approval.--Local school offi
school budgets by October 10. This dat
must be made by October 10. No other
approve the budgets.

State review or approval.--Budget
elementary and secondary schools must
cation by November 30; however, the St
bilities regarding the budgets. Other
with the State Department.

Provisions for School Audits

Audits are required annually for
or graded elementary and secondary sch
public examiner or a public accountant
sent to the State Board of Education.
cost of school district audits is paid

r purposes of taxation are
nder the direction of a
t to review by local boards
te Commissioner of Taxation
sessing officers and also
ing program of assessment
ion and the information is
icts.

ty tuition and transporta-
n expense of nonresident
ortation is levied against
supports a high school.

al school authorities and
to the larger of $326 per
requirements, or varying
ct. These amounts are
. Bureau of Labor Statis-
reby the people may author-
ation, but the district
eview Committee valuation
ng of school buildings.
nd high school districts,
ts. The levy for debt
ion and is not limited as
nclude mortgage registry
State banks, tax on shares
perative associations.

s complete responsibility for

may be issued only for
and refunded for other
bonds and may not be

s issued may not exceed 15
be borrowed from the
not only to school bonds
nded indebtedness is 10 per-
d by the Equalization Aid
fix the debt limit or to

pt in certain special
the qualified electors who
approval of the bonds.

Approval and sale of bonds.--No State approval is required. Bonds are usually sold on a fixed interest basis. The State does not assit with the sale of bonds and it is not necessary for them to be offered to a State agency. Funds available from the sale of bonds may be invested until needed.

Bond records, tax levies, and payments.--The levies which must be made to retire school-bonded indebtedness are not restricted by the limits imposed on districts for their current program. Levies for retiring school-bonded indebtedness may be over and above the per capita limitations and the 8-mill levy for sites and buildings. Bond records are kept by the school board and the necessary levies for debt service are determined at the time of sale.

Short-term indebtedness.--School Boards may, if necessary, incur indebtedness in anticipation of revenue included in the budget for the current year. If these revenues fail to materialize, the school district may issue interest-bearing orders which must be retired by additional tax levies made and included in the school budget for the year immediately following the year in which the orders are issued.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms for all districts are prescribed and furnished by the State Department of Education. In all except 5 special and a few independent school districts, the local school fiscal year begins on July 1 and ends June 30.

Local approval.--Local school officials are responsible for preparing local school budgets by October 10. This date is not required by law but the tax levy must be made by October 10. No other local or county agency is required to approve the budgets.

State review or approval.--Budget reports for districts maintaining graded elementary and secondary schools must be filed with the State Department of Education by November 30; however, the State Department has only advisory responsibilities regarding the budgets. Other districts are not required to file budgets with the State Department.

Provisions for School Audits

Audits are required annually for all school districts with graded elementary or graded elementary and secondary schools. Either a member of the staff of the public examiner or a public accountant makes the audit, a copy of which must be sent to the State Board of Education. Many districts have annual audits. The cost of school district audits is paid by the district.

MISSISSIPPI

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

MISSISSIPPI PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Ruby M. Thompson, Assistant Director, School Finance and Research, Mississippi State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 63 percent of the nonfederal revenue, including only State grants and county and local revenue receipts for county, local, and independent school systems, is provided by the State.

2. State funds for apportionment among the public school systems are obtained from legislative appropriation except for 0.1 of 1 percent which is derived from income earned by permanent school endowments.

3. Slightly in excess of 82 percent of the State-grant distributions is provided through the State public school foundation program fund.

4. Program factors recognized in the State foundation program include teachers' salaries, local and county administration, pupil transportation, other current expenses and the employer's part of social security, State retirement contribution, and district tax incentive.

5. Teachers' salaries in the foundation program provide $4,700 for a teacher with a BA and no experience, to $5,300 for BA and 6 years' experience. Teachers with MA degree must receive at least $5,000 with no experience, and $5,600 with 6 years' experience.

6. State payments to compensate school districts for homestead exemptions account for 5.6 percent of the State grants for public schools and 4.2 percent for capital outlay assistance.

7. The remaining State support is provided as follows: general use, 3.2 percent; vocational education, 3.3 percent; free textbooks, 1.6 percent; and Chickasaw School funds, .1 percent.

LOCAL SUPPORT

1. Approximately 91 percent of the county and local revenue for public school support is derived from property taxes.

2. Required district support for the foundation program is based on the district's index of taxpaying ability and the total amounts to be provided by all districts. Receipts from severance taxes are included as part of the local effort.

3. Local support for the foundation program is obtained from a countywide property tax levy in counties and from a district levy in separate school districts. No electoral approval is required.

4. District ad valorem taxes, limited to 25 mills, do not require electoral approval. The tax limit can be raised 3 additional mills on electoral approval.

5. Taxes for debt service may be levied over and above the limits for current operation.

6. School districts may issue bonds for school purposes up to 15 percent of the county-assessed valuation.

7. A special tax, not to exceed 2 mills, may be levied for indebtedness for making repairs, alterations, or additions to school plant; purchasing land and improving such land; and purchasing school heating plants. No electoral approval is required unless the indebtedness is adequately opposed by petition of the electorate.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances

Total	$157,631,800	(100.0%)
MINIMUM FOUNDATION PROGRAM FUND (Ch. 5, Sec. 6248-01, Education Code; established in 1953, and amended in 1968)	$129,301,000	(82.0%)

Scheduled amount per staffed teacher unit

Teacher preparation	Teacher experience		
	Beginning amount	Maximum amount	Years to reach maximum
1	2		3
Less than 1 year college	$1,800	$2,100	6
1, but less than 2 yrs.	2,400	2,700	6
2, but less than 3 yrs.	2,700	3,000	6
3, but less than 4 yrs.	3,400	3,700	6
BA or BS	4,700	5,300	6
MA or MS	5,000	5,600	6

After fiscal year 1971-72 no person holding a certificate of less than "A" classification (BA or BS degree) shall be eligible to teach in the public schools of the State unless special permission is obtained annually from the State Board of Education.

Teacher units:	
Regular teachers..............	1 unit per each 27 pupils in ADA.
Vocational education..........	One-half unit per each such teacher.
Special education.............	One-half unit per each teacher of an approved class.
Local administration............	$150 per teacher unit.
Current expense other than instructional staff salaries and pupil transportation............	$500 per teacher unit.
County administration expenses...	$15,000 per county, plus $25 per each teacher unit after the first 50 units with total maximum of $20,000 per county
Pupil transportation............	An allowance based on average per pupil cost of transportation in districts of comparable density.
Retirement and social security contributions.....................	Amount of employer's payment.

State and local shares for support of the calculated State program allowance

State share.--Calculated amount minus required local share. However in no case shall the State portion be less than 40 percent of the total cost of the program.

Local share.--Ad valorem tax determined by an index of financial ability applied to the statewide total amount to be derived from this source ($16,000,000). Index is the sum of:

.242152 x	County's percent of the assessed valuation of public utilities in the State.
.044144 x	County's percent of State total of motor vehicle license receipts (sold by sheriffs).
.065110 x	County's percent of State total value of farm products.
.142688 x	County's percent of State total personal income taxes paid in the State.
.222936 x	County's percent of State total gainfully employed nonfarm, non-Government workers.
.282970 x	County's percent of the retail sales tax paid in the State.

50 percent of severance tax receipts returned to the county.

The State does not include P.L. 874 funds distributed to local school districts in establishing local financial ability.

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation.--Comply with standards and requirements as specified by State laws or regulations. Levy required taxes as determined by index of financial ability.

Extent of participation.--All 149 school districts.

Distributed.--Monthly.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requir distri f
MINIMUM FOUNDATION PROGRAM FUND--continued			
Incentive grant.................. (Professional salaries, supplies, and materials)	Allot to each district that portion of $300 per teacher unit the district's State adjusted millage (true millage) is of 25 mills, not to exceed $330 per teacher unit. True millage is calculated by multiplying a district's actual millage by a State assessment ratio which utilizes an index of financial ability as the measure of district wealth.		
Pupils in nonprofit private or parochial schools................	Pupils enrolled in private schools may not be concurrently enrolled in a public school or counted in determining the amount of State aid for a district under this program.		
HOMESTEAD EXEMPTION FUND (Nonrestricted use for schools) (No. of Act of reference in Education Code. Established in 1953.)	$8,900,000 (5.6%)		
	Local tax rate multiplied by value of homestead exemptions.	State share.--Calculated amount limited to maximum tax rates of 15 mills for municipally separate school districts and 20 mills for county districts. Local share.--No local share, but current local school tax rate determines the State amount.	Require must le Extent tricts. Distri and Ma
STATE PUBLIC SCHOOL BUILDING FUND (Ch. 13, Senate Bill 1204, Laws of 1953. Established in 1953.)	$6,660,000 (4.2%)		
Capital outlay and debt service..	Twelve dollars per child in ADA.	State share.--100 percent of calculated amount. An advance of up to 75 percent of the estimated amount that will accrue within 20 years from the date of the advance is authorized. Local share.--None.	Require organi ance c propos able c must b Financ Extent tricts. Distri

MISSISSIPPI

UPPORT, 1968-69--continued

of State funds for the public schools and for program participation

d percent of State funds for school support, tion of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
-continued		
.... Allot to each district that portion of ies, $300 per teacher unit the district's State adjusted millage (true millage) is of 25 mills, not to exceed $330 per teacher unit. True millage is calculated by multiplying a district's actual millage by a State assessment ratio which utilizes an index of financial ability as the measure of district wealth.		
r .... Pupils enrolled in private schools may not be concurrently enrolled in a public school or counted in determining the amount of State aid for a district under this program.		
$8,900,000 (5.6%)		
ation		
Local tax rate multiplied by value of homestead exemptions.	**State share**.--Calculated amount limited to maximum tax rates of 15 mills for municipally separate school districts and 20 mills for county districts. **Local share**.--No local share, but current local school tax rate determines the State amount.	**Requirements for participation**.--Districts must levy a property tax. **Extent of participation**.--148 school districts. **Distributed**.--Twice a year--in September and March.
D of 1953. $6,660,000 (4.2%)		
ce.. Twelve dollars per child in ADA.	**State share**.--100 percent of calculated amount. An advance of up to 75 percent of the estimated amount that will accrue within 20 years from the date of the advance is authorized. **Local share**.--None.	**Requirements for participation**.--District organization, location of school attendance centers, plans and specifications of proposed and existing facilities, desirable consolidation, and method of financing must be approved by the State Educational Finance Commission. **Extent of participation**.--149 school districts. **Distributed**.--As payments are authorized.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent o district participation and s for distributing State a
COMMON SCHOOL FUND (Sec. 6219, Code of 1942. First established in 1890.)	$5,000,000 (3.2%)		
Nonrestricted use for schools...	Proportion of school census children, 6-20 years of age, inclusive, in the district. (Provides about $7 per census child.)	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participatio biennial census of all childr of age, inclusive. Extent of participation.--149 tricts.
VOCATIONAL EDUCATION FUND (Sec. 6487, Code of 1942. First established in 1917.)	$5,183,800 (3.3%)		Distributed.--As one monthly the State Minimum Program or ita Fund.
Vocational education............. (To be expended for teacher training, Junior Colleges and public schools, grades 1-12)	Amount of teachers' salaries determined in relation to district land area, enrollment, and teacher training and experience.	State share.--Up to 50 percent of calculated amount. Federal funds for vocational education are provided in addition to the State amount shown. Local share.--All costs not covered by reimbursement.	Requirements for participatio must be offering vocational e courses which meet State stan Extent of participation.--142 tricts.
STATE TEXTBOOK FUND (Ch. 202, Laws of 1940.)	$2,525,000 (1.6%)		Distributed.--Semiannually or approved applications.
State Textbooks..................	Proportion of ADA for grades 1-12 in the district in public schools and in other schools.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participatic be distributed and loaned fre children in the public school other schools which maintain standards equivalent to those the public schools. Extent of participation.--149 tricts. Distributed.--As textbooks.
CHICKASAW SCHOOL FUND (Secs. 211 and 212, Art. 8, Constitution. First established in 1890.)	$ 62,000 (0.1%)		
Current expense, grades 1-12..... Payment for nonreceipt of 16th section land in counties in the Chickasaw Area.	Amount differs for school districts, but each district receives the same amount each year.	State share.--100 percent of specified amount. Local share.--None.	Requirements for participatic must be in Chickasaw Area and received 16th section land g Extent of participation.--45

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he public schools and for program participation

funds for school support, llowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$5,000,000 (3.2%) school census children, age, inclusive, in the rovides about $7 per cen-	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Take a biennial census of all children 6-20 years of age, inclusive. Extent of participation.--149 school districts. Distributed.--As one monthly payment of the State Minimum Program or the Per Capita Fund.
$5,183,800 (3.3%) chers' salaries determined district land area, en- teacher training and	State share.--Up to 50 percent of calculated amount. Federal funds for vocational education are provided in addition to the State amount shown. Local share.--All costs not covered by reimbursement.	Requirements for participation.--District must be offering vocational education courses which meet State standards. Extent of participation.--142 school districts. Distributed.--Semiannually on the basis of approved applications.
$2,525,000 (1.6%) ADA for grades 1-12 in the ublic schools and in other	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Books must be distributed and loaned free of cost to children in the public schools and to all other schools which maintain educational standards equivalent to those prescribed for the public schools. Extent of participation.--149 school districts. Distributed.--As textbooks.
$ 62,000 (0.1%) s for school districts, rict receives the same ear.	State share.--100 percent of specified amount. Local share.--None.	Requirements for participation.--County must be in Chickasaw Area and not have received 16th section land grants. Extent of participation.--45 counties.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--The county assessor, who is elected for a term of 4 years by popular vote, assesses all property in the county, including cities. The county board of supervisors reviews this assessment and has the authority for making adjustments. The reviewed assessment is then submitted to the State Tax Commission for review. The State Tax Commission has authority to require an adjustment in assessments and it may require a raising of assessments for a particular class of automobile, cutover lands, cultivated lands, etc., in order to equalize with other counties of the State. The State Tax Commission does not attempt to make adjustments of individual pieces of property. Cities may make their own assessments for the purpose of levying city taxes. Usually this assessment is higher than the county assessment on the same property.

Intermediate districts.--Under the new school laws each county, exclusive of the separate districts in the county, is required to make a local ad valorem contribution in an amount determined by an index of financial ability. At the present time, the levy required to produce this local contribution averages about 10.5 mills over the State. Sixty-eight of the 82 counties are now organized into county units. One county has been organized into a special municipal separate district covering the entire county, and two counties have been organized into municipal separate districts covering the entire county. This leaves 11 counties that are intermediate insofar as the school organization is concerned. Regardless of how a county is organized, the local ad valorem contribution for the minimum foundation program is obtained from a countywide levy. This levy requires no vote of the people. Counties do not issue bonds for school buildings and do not have any levy for school maintenance other than that required for the local contribution.

Approximately one-half of severance taxes returned by the State to counties are included as part of the required local contribution for support of the Minimum Foundation Program Fund. This amounts to approximately $1,500,000, annually.

Local districts.--Separate school districts do not participate in a countywide levy and are required to levy sufficient taxes to pay their part of the local ad valorem contribution required by the State program. In addition to this local contribution levy, these districts may have another levy for school enrichment purposes above those provided by the minimum foundation program. No vote of the people is required. The total levy for the foundation program and for enrichment is 25 mills. An additional 3 mills may be levied if approved by the electorate. Bonds may be issued not to exceed 15 percent of the assessed valuation. Levies for retiring these bonds are not included in the 25-mill limit.

Local districts, other than separate districts, although they are subject to the countywide local ad valorem levy may levy additional taxes for enrichment purposes beyond those provided for the State foundation program. Without electoral approval, local district levies cannot exceed the difference between the county local contribution levy and 25 mills. This limit may be increased to 28 mills with voter approval. Boards of supervisors are permitted to make the enrichment levy on the request of the school board trustees and without the vote of the people. A large number of the local districts of the State receive some 16th section land revenues. Sixty-eight counties are organized as countywide units and hence are local districts, but at the same time must maintain a countywide levy for the local ad valorem contribution. These districts may issue bonds under the same limitations as those given above for separate school districts.

Initiating bond issues.--Bond issues
tees of the school district affected or b
10 percent of the qualified voters of the
of the election is mandatory on the gover
for buildings, repairs, equipment, ground
with acquiring such items. School bond i
by any other State or local agency.

Limitations on issuance of bonds.--A
mum number of years for which they may be

Limitations on debt.--School bonds m
poses up to 15 percent of the local asses
This limit is provided in the statutes.
thority to approve a higher limit in spec

However, boards of trustees of any s
obligate the district for "Emergency Inde
to Buildings or Equipment," up to the amo
levy. This is in addition to the 15 perc
cates of indebtedness under this provisio
must adopt a resolution declaring the nec
the amount to be borrowed. Such resoluti
proximate cost of the alterations, additi
heating plant, fixtures, and equipment ne
to be purchased. The board must declare
available in the school funds for the dis
which to make such expenditures.

Voting requirements.--Bonds may be i
voters of the district sign a petition re
is submitted at an election, a three-fift
voting in a district must vote favorably

Approval and sale of bonds.--School
to be approved by any other State or loca
on a fixed interest basis. It is not nec
a State agency and no State assistance is
If there is no immediate need for the fun
may be invested.

Bond records, tax levies, and paymen
necessary for retirement are over and abo
current support. The county board of sup
retirement for consolidated school distri
districts. A special levy of up to 2 mil
notes or certificates of indebtedness iss
Capital Outlay or Repairs to Buildings or

Short-term indebtedness.--Separate s
separate districts, and county board of s
may borrow funds in anticipation of curre
during the current year. One exception i
chase of school buses. Repayment of thes
annual payment basis not to exceed 6 year
transaction. Repayments are made out of

assessor, who is elected for a term of 4
operty in the county, including cities. The
is assessment and has the authority for
ssment is then submitted to the State Tax
Commission has authority to require an ad-
uire a raising of assessments for a particu-
, cultivated lands, etc., in order to
ate. The State Tax Commission does not at-
l pieces of property. Cities may make their
ying city taxes. Usually this assessment is
he same property.

e new school laws each county, exclusive of
is required to make a local ad valorem con-
n index of financial ability. At the present
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the 82 counties are now organized into
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two counties have been organized into
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ficient taxes to pay their part of the local
State program. In addition to this local
have another levy for school enrichment pur-
mum foundation program. No vote of the
the foundation program and for enrichment
be levied if approved by the electorate.
rcent of the assessed valuation. Levies
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y levy additional taxes for enrichment pur-
te foundation program. Without electoral
exceed the difference between the county
This limit may be increased to 28 mills with
are permitted to make the enrichment levy
tees and without the vote of the people.
f the State receive some 16th section land
anized as countywide units and hence are
st maintain a countywide levy for the local
ts may issue bonds under the same limita-
school districts.

Initiating bond issues.--Bond issues may be requested by either the trustees of the school district affected or by a petition signed by not less than 10 percent of the qualified voters of the district. In either case, the holding of the election is mandatory on the governing authorities. Bonds may be issued for buildings, repairs, equipment, grounds, and necessary expenses connected with acquiring such items. School bond issues are not required to be approved by any other State or local agency.

Limitations on issuance of bonds.--All school bonds are serial. The maximum number of years for which they may be issued is 25.

Limitations on debt.--School bonds may be issued for capital outlay purposes up to 15 percent of the local assessed valuation of the school district. This limit is provided in the statutes. No State executive agency has authority to approve a higher limit in special cases.

However, boards of trustees of any school district are authorized to obligate the district for "Emergency Indebtedness for Capital Outlay or Repairs to Buildings or Equipment," up to the amount which can be financed by a 2-mill levy. This is in addition to the 15 percent limit. To issue notes or certificates of indebtedness under this provision, the district board of trustees must adopt a resolution declaring the necessity for such borrowing and indicate the amount to be borrowed. Such resolutions must indicate the nature and approximate cost of the alterations, additions, and repairs to be made; the heating plant, fixtures, and equipment necessary to be purchased; or the land to be purchased. The board must declare in its resolution that no funds are available in the school funds for the district or from any other source with which to make such expenditures.

Voting requirements.--Bonds may be issued if a majority of the qualified voters of the district sign a petition requesting the bond issue. If the issue is submitted at an election, a three-fifths majority of the qualified electors voting in a district must vote favorably before it is authorized.

Approval and sale of bonds.--School district bond issues are not required to be approved by any other State or local agency. The bonds are usually sold on a fixed interest basis. It is not necessary that bonds be offered first to a State agency and no State assistance is available in the selling of bonds. If there is no immediate need for the funds from the sale of bonds, these funds may be invested.

Bond records, tax levies, and payments.--When bonds have been issued, taxes necessary for retirement are over and above the limit of tax levies placed for current support. The county board of supervisors handles the bond records and retirement for consolidated school districts and special municipal separate districts. A special levy of up to 2 mills shall also be made to retire the notes or certificates of indebtedness issued for "Emergency Indebtedness for Capital Outlay or Repairs to Buildings or Equipment."

Short-term indebtedness.--Separate school district boards, for municipal separate districts, and county board of supervisors, for consolidated schools, may borrow funds in anticipation of current revenues, but must repay such loans during the current year. One exception is the borrowing of funds for the purchase of school buses. Repayment of these loans for buses may be made on an annual payment basis not to exceed 6 years. The State Board must approve this transaction. Repayments are made out of current transportation funds.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--The State Department of Education prescribes budget forms to be used by school districts. Both State and school fiscal years begin on July 1 and end on June 30.

Local approval.--The board of trustees of each school district, exclusive of municipal separate school districts shall prepare a budget of estimated revenues and expenditures for the fiscal year commencing July 1. Such budget must be approved by the county superintendent. Budgets of municipal separate districts are not subject to the approval of the county superintendent. Local budget approval must be given by the local board of education before July 15. There is no requirement that budgets be posted or published. Expenditures for each item of the budget must be published or posted monthly.

State review or approval.--Budgets are filed
of Education by July 15. This agency reviews the
proposed expenditures do not exceed the expected

Provisions for School Audits

State Department of Audit must audit school
Municipal separate school districts are audited b
firms.

of Education prescribes budget forms to
and school fiscal years begin on July 1

ees of each school district, exclusive of
l prepare a budget of estimated revenues
mencing July 1. Such budget must be
Budgets of municipal separate districts
ounty superintendent. Local budget
d of education before July 15. There is
published. Expenditures for each item
d monthly.

State review or approval.--Budgets are filed with the State Department of Education by July 15. This agency reviews the budget to make sure that proposed expenditures do not exceed the expected income.

Provisions for School Audits

State Department of Audit must audit school funds in all counties. Municipal separate school districts are audited by independent accounting firms.

MISSOURI

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

MISSOURI PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Randall W. Tedlock, Director, School Finance and Statistics, Missouri State Department of Education, served as the State authority for preparation and review of this document.

Selected Program Facts

STATE SUPPORT

1. For 1966-67, approximately 31 percent of the nonfederal revenue, including only State, county, and local revenue receipts for local school systems, is provided by the State.

2. For 1966-67, about 81.3 percent of the State funds apportioned for public elementary and secondary schools and for junior colleges is provided through legislative appropriation. Of the remaining, 18.6 percent is obtained from cigarette and insurance company taxes with a small additional amount of about 0.1 percent obtained from the earned income of Public School Funds.

3. For 1968-69, 85 percent of the State money appropriated for school districts is provided through the 5 largest portions of the State School Monies Fund. About 8.4 percent of this amount is appropriated for the "Equalization Quota Portion, First Level," 2.8 percent is appropriated for the "Equalization Quota Portion, Second Level," 9.4 percent is appropriated for the "Teacher Preparation Portion,7.7 percent is appropriated for the "Transportation Aid Portion," and the remaining 56.7 percent is appropriated for the "Additional Amount Portion."

4. Under the provisions of the foundation program formula, a 30-pupil class has a State-assured foundation program of $9,290 if staffed by a degree teacher.

5. Other State aids are provided for Free Textbook Fund, Exceptional Pupil Aid, Public Junior College, Reorganization Building Aid, Vocational Education Aid, (State only) City Teacher Training, Orphan Aid, Building Abandonment Aid, and Central Building Aid.

LOCAL SUPPORT

1. For all practical purposes, local school support is derived from the property tax. There are no nonproperty taxes authorized to be used for school support.

2. Local school systems are required to levy a tax of 10 mills for school support to participate in the State School Monies Fund.

3. Property tax levies for the current operating program, based on local assessments adjusted as necessary by State assessment ratios, may not exceed 6.5 mills in rural districts and 12.5 mills in urban districts without a vote of the people. Three times these limits may be voted for 1 year by a majority of the participating electors and additional levies without limit but for only a 4-year period may be approved by a two-thirds majority of the qualified voters participating in the election.

4. All school bond issues must be approved by a two-thirds majority of the qualified electors participating in the election.

5. The constitution limits the total school debt to 10 percent of the assessed valuation of taxable property in the district.

6. Tax levies for debt service are outside of the levy limits prescribed for the current operating program.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requir distr f
TOTAL	$219,458,889 (100.0%)		
STATE SCHOOL MONIES FUND-- Additional Amount Portion . (Sec. 163.031 Paragraph 3 RS Mo. 1966)	$124,456,047 (56.7%)		
Current expenses, grades 1-12...	Participation is based on both resident and nonresident pupils, the pupil's home district must, under the law, be responsible for the tuition of the pupil. The amount of aid for each district is determined by multiplying the average daily attendance (ADA) of pupils in grades 1-8 by $142 or by multiplying the number of full-time elementary teachers by $3,390 (30 x $142), whichever is smaller, plus the high school ADA for grades 9-12 multiplied by $142 or the product of full-time teachers times $3,390 (30 x $142), whichever is the smaller. This money, combined with money in the "Equalization Quota Portions - First and Second Levels"; and "Teacher Preparation Portion" of the State School Monies Fund is to be used by the local school district in the teacher fund, except not in excess of 20 percent may be in the incidental fund.	Local share.--Levy a 10-mill tax on the last completed assessed valuation of taxable property as equalized by State assessment ratios.	Requir to qua founda tion i operat includ author in ses counti author tain a ance, the St Extent 815 sc money Distri ber 15
STATE SCHOOL MONIES FUND--Equalization Quota Portion (First Level) (Sec. 163.031 (1) RS Mo.)	(Est.) $18,425,148 (8.4%)	Local share.--The local share is made up of same 10 mills as Additional Amount Portion and revenue received from the intangible tax.	Requir "Addit Extent tricts Distri 15, De
Current expense, grades 1-12....	Average daily attendance of resident pupils in grades 1-12 multiplied by $142.25 represents the equalization quota guarantee. From the guarantee, there is deducted the sum of (a) the revenue derived from a 10-mill tax on the last completed assessed valuation of property, (b) the amount received during the preceding year from county and township school funds, (c) the sum received for school purposes from State utility valuations, and (d) revenue for school purposes from the intangible tax. The difference thus obtained constitutes the equalization quota.		

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*School district participation data are based on 1966-67 reports.

-69

nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$219,458,889 (100.0%)		
$124,456,047 (56.7%)		
cipation is based on both resident onresident pupils, the pupil's district must, under the law, be nsible for the tuition of the pupil. mount of aid for each district is mined by multiplying the average attendance (ADA) of pupils in s 1-8 by $142 or by multiplying the r of full-time elementary teachers ,390 (30 x $142), whichever is er, plus the high school ADA for s 9-12 multiplied by $142 or the ct of full-time teachers times 0 (30 x $142), whichever is the er. money, combined with money in the lization Quota Portions - First and d Levels"; and "Teacher Preparation ion" of the State School Monies Fund be used by the local school dis- in the teacher fund, except not in s of 20 percent may be in the in- tal fund.	Local share.--Levy a 10-mill tax on the last completed assessed valuation of taxable property as equalized by State assessment ratios.	Requirements for participation.*--In order to qualify for participation in State foundation program of which this distribution is a part, school districts must operate schools for a minimum of 180 days, including legal holidays and days legally authorized teachers' meetings; with days in session (a minimum of 174 days not counting legal holidays and days legally authorized for teachers' meetings); maintain adequate and accurate records of attendance, personnel, and finances as required by the State Board of Education. Extent of participation.-- 737 of the total 815 school districts were apportioned money under this fund in 1966-67. Distribution.--Three times a year: September 15, December 15, and March 15.
(Est.) $18,425,148 (8.4%)		
age daily attendance of resident pu- in grades 1-12 multiplied by $142.25 esents the equalization quota guar- e. From the guarantee, there is cted the sum of (a) the revenue de- d from a 10-mill tax on the last leted assessed valuation roperty, (b) the amount received ng the preceding year from county township school funds, (c) the sum ived for school purposes from State ity valuations, and (d) revenue for ol purposes from the intangible tax. difference thus obtained constitutes equalization quota.	Local share.--The local share is made up of same 10 mills as Additional Amount Portion and revenue received from the intangible tax.	Requirements for participation.--Same as "Additional Amount Portion." Extent of participation.-- 436 school districts. Distribution.--Three times a year; September 15, December 15, and March 15.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State Funds for school support, and calculation of district allowances		State and local shares for supp the calculated State program all
STATE SCHOOL MONIES FUND--Teacher Preparation Portion. (Sec. 163.031 (2) RS Mo.)	$20,722,480 (9.4%)	
Teachers' salaries..............	Each operating district participates on the basis of preparation of regularly employed teachers for grades 1-12. The preparation of teachers for purposes of this allowance is based on semester hour credits earned at an accredited college or university. This distribution provides $455 ($492) for each teacher with 150 or more semester hour credits, $295 (320) for each teacher with 120 to 149 semester hour credits, and none for teachers with less than 120 semester hour credits. "Teacher" means any teacher, supervisor, principal, or superintendent regularly employed more than half time for grades 1-12 who is certified under the laws governing certification of teachers. This money combined with money in the "Additional Amount Portion" and "Equalization Quotas Portions" of the State School Monies Fund, may be used by the local school district in the teacher fund and not in excess of 20 percent for the incidental fund.	Local share.--Required local effo same 10 mills as described in the tional Amount Portion.
STATE SCHOOL MONIES FUND--Transportation Aid Portion. (Sec. 163.0161 RS Mo., first established in 1931)	$16,917,016 (7.7%)	
Per pupil allowance for transportation..................	District participation is based on a per pupil per month allowance determined, as indicated below, in accordance with the number of pupils transported per mile traveled. The State allowance may not exceed the cost of transportation.	Local share.--None, other than th mills described in the Teacher Pre Portion.

Pupils transported per mile traveled	Allowance per pupil per month
0.0 to 2.9	$6.00
3.0 to 3.9	3.85
4.0 to more	3.25

RT, 1968-69--continued

of State Funds for the public schools and for program participation

nd percent of State funds for school support, ation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$20,722,480 (9.4%) 31 (2)		
... Each operating district participates on the basis of preparation of regularly employed teachers for grades 1-12. The preparation of teachers for purposes of this allowance is based on semester hour credits earned at an accredited college or university. This distribution provides $455 ($492) for each teacher with 150 or more semester hour credits, $295 (320) for each teacher with 120 to 149 semester hour credits, and none for teachers with less than 120 semester hour credits. "Teacher" means any teacher, supervisor, principal, or superintendent regularly employed more than half time for grades 1-12 who is certified under the laws governing certification of teachers. This money combined with money in the "Additional Amount Portion" and "Equalization Quotas Portions" of the State School Monies Fund, may be used by the local school district in the teacher fund and not in excess of 20 percent for the incidental fund. $16,917,016 (7.7%)	Local share.--Required local effort is same 10 mills as described in the Additional Amount Portion.	Requirements for participation.--Same as other portions of State School Monies Fund. Extent of participation.--652 school districts. Distribution.--Three times a year: September 15, December 15, and March 15.
... District participation is based on a per pupil per month allowance determined, as indicated below, in accordance with the number of pupils transported per mile traveled. The State allowance may not exceed the cost of transportation. Pupils transported per mile traveled — Allowance per pupil per month 0.0 to 2.9 — $6.00 3.0 to 3.9 — 3.85 4.0 to more — 3.25	Local share.--None, other than the 10 mills described in the Teacher Preparation Portion.	Requirements for participation.--Resident and non-resident high school pupils and resident elementary pupils must be transported one mile or more over approved routes. Extent of participation.--680 school districts. Distribution.--Three times a year: September 15, December 15, and March 15.

LOCAL SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Require distri fo
FREE TEXTBOOK FUND (Sec. 170.051 RS Mo., first established in 1913)	(Est.) $ 8,700,000 (4.0%)		
Purchase textbooks and instructional materials.........	The total school-age pupil enumeration is divided into the appropriation to find the amount per enumerated pupil. This amount is then multiplied by the number of enumerated pupils in each district. Money from this source must be used for the purchase of textbooks and instructional materials in the district and may be used for grades 1-12. However, when used for grades 1-12 funds must be applied in the following order as the amount permits: First, elementary school textbooks; next, either high school textbooks or elementary school supplies; and, lastly, high school supplies.	Local share.--None.	Requir trict 20 yea Extent school Distri before
EXCEPTIONAL CHILDREN'S FUND (Sec. 178.270 RS Mo.)	$ 8,448,084 (3.9%)		
Mentally retarded and homebound......................	State support for exceptional pupils is provided on the basis of $2,800 per approved exceptional-pupils class and $350 per State aid pupil for homebound instruction. This same $2,800 applies to each approved class for the mentally retarded, but when the class size exceeds 16, $175 is added for each additional pupil up to a maximum of 20 pupils and $3,500. Amounts from this distribution are in addition to amounts provided under the other State grant apportionments.	Local share.--None.	Requi must Appro ortho child hard- 6 to 12 ch child child be ac Exten trict Distr ber 1

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nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
(Est.) $ 8,700,000 (4.0%)		
otal school-age pupil enumeration vided into the appropriation to the amount per enumerated pupil. amount is then multiplied by the r of enumerated pupils in each ict. Money from this source must ed for the purchase of textbooks nstructional materials in the dis- and may be used for grades 1-12. er, when used for grades 1-12 funds be applied in the following order e amount permits: First, elemen- school textbooks; next, either high l textbooks or elementary school ies; and, lastly, high school sup- .	**Local share**.--None.	**Requirements for participation**.--District enumeration of children from 6 to 20 years of age, inclusive. **Extent of participation**.--All 815 school districts. **Distribution**.--Funds distributed on or before October 1 of each year.
$ 8,448,084 (3.9%)		
support for exceptional pupils is ded on the basis of $2,800 per ap- d exceptional-pupils class and per State aid pupil for homebound uction. This same $2,800 applies ch approved class for the mentally ded, but when the class size ex- 16, $175 is added for each addi- l pupil up to a maximum of 20 pu- and $3,500. ts from this distribution are in ion to amounts provided under the State grant apportionments.	**Local share**.--None.	**Requirements for participation**.--Classes must be approved and meet State standards. Approvable class size varies as follows: orthopedically handicapped, 10 to 20 children enrolled; deaf, 6 to 9 children; hard-of-hearing, 6 to 14 children; blind, 6 to 8 children; partially seeing, 6 to 12 children; mentally retarded, 10 to 20 children; and speech correction, 80 to 125 children. Requests for reimbursement must be accompanied by supporting information. **Extent of participation**.-229 school districts. **Distribution**.--Three times a year: September 15, December 15, and March 15.

STATE SUPPORT, **1968-69--continued**

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares the calculated State prog
STATE SCHOOL MONIES FUND--Equalization Quota Portion, Second Level. (Sec. 163.033 RS Mo.)	(Est.) $ 6,141,716 (2.8%)	
	Average daily attendance of resident pupils in grades 1-12 multiplied by the quotient per pupil in ADA as determined represents the second level equalization quota. This money and money provided for by "Additional Amount Portion,""First level---Equalization Quota Portion," "Teacher Preparation Portion of the State School Monies, may be used by the local school district for the teachers' fund and not in excess of 20 percent may be used for incidental fund.	Local share.--(1) A schoo receive State aid under a zation quota only if it m requirements as the other foundation program, and l tax which produces an amo than the product of $2.75 erty of the district asse cent of true value as det tified by the State tax c before February first of ing the fiscal year in wh tion will be effective. In brief, (2.75 x .30) ÷ value = required rate of 2.75 x .30 / % of true value = requi As an example: If the % certified by the State ta 28.25 percent, then 2.75x / .282 2.92035 or $2.93 will be rate in that district or in the county. (2) If the deductions as section 163.031, paragrap by total ADA of resident 12 within the district an $134 ($137.25) or less th receive $13 for each resi ADA. If the above quotie $134 ($137.25) but less t ($150.25) the difference tient and $134 ($137.25) amount per ADA of residen quotient is $147 ($150.2 will be no second level e ta for this district. Note: The numbers in par the numbers in use durin apportionment.
PUBLIC JUNIOR COLLEGE FUND (Secs. 178.770-178.890, RS Mo., 1966; first established 1961)	$ 7,312,000 (3.3%)	
Junior College Districts........	Junior college districts are entitled to receive $240 for each 24 semester hours	Local share.--None.

MISSOURI

8-69--continued

Funds for the public schools and for program participation

nt of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
(Est.) $ 6,141,716 (2.8%)		
erage daily attendance of resident pu- ls in grades 1-12 multiplied by the otient per pupil in ADA as determined presents the second level equalization ota. is money and money provided for by dditional Amount Portion,""First lev- ---Equalization Quota Portion," eacher Preparation Portion of the ate School Monies, may be used by the cal school district for the teachers' nd and not in excess of 20 percent y be used for incidental fund.	Local share.--(1) A school district may receive State aid under a second equalization quota only if it meets the same requirements as the other portions of the foundation program, and levies a property tax which produces an amount not less than the product of $2.75 tax on the property of the district assessed at 30 percent of true value as determined and certified by the State tax commission on or before February first of the year preceding the fiscal year in which the evaluation will be effective. In brief, (2.75 x .30) ÷ percent of true value = required rate of qualify, or $\frac{2.75 \times .30}{\% \text{ of true value}}$ = required rate. As an example: If the % of true value as certified by the State tax commission 28.25 percent, then $\frac{2.75x.30}{.2825} \approx \frac{.825}{.2825} =$ 2.92035 or $2.93 will be required tax rate in that district or other districts in the county. (2) If the deductions as provided for by section 163.031, paragraph 1 are divided by total ADA of resident pupils, grades 1-12 within the district and the quotient is $134 ($137.25) or less the district will receive $13 for each resident pupil in ADA. If the above quotient is more than $134 ($137.25) but less than $147 ($150.25) the difference between the quotient and $134 ($137.25) will be the amount per ADA of resident pupils. If the quotient is $147 ($150.25) or more, there will be no second level equalization quota for this district. Note: The numbers in parentheses () are the numbers in use during the 1966-67 apportionment.	Requirements for participation.--Same as other portions of State School Monies Fund. Extent of participation.--359 school districts. Distribution.--Three times a year: September 15, December 15, and March 15.
$ 7,312,000 (3.3%)		
unior college districts are entitled to eceive $240 for each 24 semester hours	Local share.--None.	Requirements for participation.--Public junior college districts must meet State

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requi distr
PUBLIC JUNIOR COLLEGE FUND--continued			
Junior College Districts--continued......................	of college credit completed by all students in the junior college during the then current year, based on an estimated number of semester hours of college credit to be completed by all students during the then current year, this estimate to be adjusted on an actual number of college semester hours completed at the end of the year.		Requi tinue stand organ ports catio Exter junio assis Distr Septe
REORGANIZATION BUILDING AID FUND (Sec. 163.121, RS Mo.)	$ 1,750,000 (.8%)		
Construction....................	An apportionment not to exceed $100 per pupil enrolled and a total of $50,000 is allowed, provided that it may not exceed half the cost of the building.	Local share.--Remainder of cost of building.	Requi const in re appro Exter trict Distr ber 1
VOCATIONAL EDUCATION FUND (Sec. 178.530 RS Mo.)	$ 5,411,235 (2.5%)		
High school vocational programs.	Reimburse districts for part of cost of conducting vocational programs in high schools for the preceding year.	Local share.--None.	Requi progr ards tiona Exter trict Distr annua
CITY TEACHER TRAINING FUND (Sec. 461.000)	$ 1,060,163 (.5%)		
Teacher training................	The amount to be apportioned to a participating school district is determined by multiplying the number of teachers employed in the city by half the amount obtained by dividing the total amount appropriated to State colleges for teachers' salaries during the preceding biennial period by the total number of teachers employed in the State as shown by the last annual apportionment of public school monies by the State Board of Education.	Local share.--None.	Requi ing teach Exter Distr for

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blic schools and for program participation

for school support, ces	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ompleted by all stu- college during the based on an estimated hours of college ted by all students rent year, this esti- on an actual number hours completed at . ,750,000 (.8%)		Requirements for participation.--continued. standards relative to the program and organization and prepare necessary reports for the State Department of Education. Extent of participation.-10 public junior colleges received financial assistance in 1967-68. Distribution.--Three times a year: September 15, December 15, and March 15.
t to exceed $100 per a total of $50,000 l that it may not ex- of the building. ,411,235 (2.5%)	Local share.--Remainder of cost of building.	Requirements for participation.--School construction plans and construction needs in recently enlarged districts must be approved by the State Board of Education. Extent of participation.--42 school districts. Distribution.--Three times a year: September 15, December 15, and March 15.
for part of cost of al programs in high ceding year. 1,060,163 (.5%)	Local share.--None.	Requirements for participation.--Vocational programs must be organized which meet standards prescribed in the State plan for vocational education. Extent of participation.--384 school districts. Distribution.--Reimbursement made semiannually.
portioned to a parti- trict is determined by ber of teachers em- by half the amount ob- the total amount te colleges for during the preceding the total number of n the State as shown apportionment of pub- y the State Board of	Local share.--None.	Requirements for participation.--Cities having a population of 75,000 may establish teacher-training schools. Extent of participation.--One school district. Distribution.--Apportionments made in August for preceding year.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support o the calculated State program allowanc
STATE SCHOOL MONIES FUND--Orphan Aid Portion (Sec. 163.141 RS Mo.)	$ 65,000 (-)	
Allotment per orphan............	An apportionment not to exceed $2.75 per child per month is allowed for the approved orphan pupils.	Local share.--None.
STATE SCHOOL MONIES FUND--Building Abandonment Aid Portion. (Sec. 163.101 RS Mo.)	$ 30,000 (-)	
Construction of new schools.....	An allowance of $1,000 is made for each elementary school building in a district which has been abandoned during the year in connection with the construction of a new school. This money must be placed in the building fund from which expenditures can be made for maintenance as well as capital outlay.	Local share.--None.
CENTRAL BUILDING AID FUND (Sec. 163.111 RS Mo.)	$ 20,000 (-)	
Approved central high school....	One-fourth of the cost, up to $2,000, is allowed toward the construction cost of an approved central high school building. The amount allowed is made available when the new building has been constructed according to approved plans.	Local share.--Remainder of the cost.

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ol support,	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
(-)		
ed $2.75 per or the ap-	Local share.--None.	Requirements for participation.--Districts must report the number of orphans or dependents from orphans' homes in attendance in the public schools. Extent of participation.--17 school districts. Distribution.--Three times a year: September 15, December 15, and March 15.
(-)		
de for each n a district ing the year ruction of a be placed ich expendi- nance as	Local share.--None.	Requirements for participation.--An elementary school building must have been abandoned and the children transferred to a new central school. Extent of participation.-- 8 school districts. Distribution.--Three times a year: September 15, December 15, and March 15 .
(-)		
o $2,000, uction cost school build made avail- as been con- ed plans.	Local share.--Remainder of the cost.	Requirements for participation.--Plans for a new central high school building must be presented and the building constructed. Extent of participation.-- 9 school districts. Distribution.--Three times a year: September 15, December 15, and March 15.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations are established by elected township or county assessors. County boards of equalization have authority to change assessments, and the State Tax Commission has authority to adjust valuations. Whenever the assessed valuation within a county has been increased by 10 percent or more over the prior year's valuation, the tax rate must be reduced so as to produce substantially the same amount of revenue that was produced under the old assessments and rate.

The State Tax Commission conducts assessment ratio studies to determine variations in the level of assessment among the counties. This assessment ratio provides a basis for the issuance of equalization orders to those counties with a level of assessment differing from the prescribed standard. The county board of equalization is required to change its assessment within the county to conform to the equalization order.

All monies received from fines and forfeitures, together with any interest on county permanent funds, are distributed to schools each year on the basis of enumeration. Monies received from county average tax levies on State-assessed utility property are distributed to local school districts partially on an enumeration basis and partially on a tax levy-ratio basis.

Tax limits are based on the local assessments. Since the State Tax Commission is authorized to adjust valuations by counties, to a degree, there is State equalization of valuations.

Other than receipts from tuition and transportation payments from patrons, local receipts for food services, and revenue from investment of balances not needed for six months, there are no other significant sources of local school income.

Provisions for School Indebtedness

Initiating bond issues.--School bond issues are initiated by the local boards of education or by petition.

Limitations on issuance of bonds.--Serial bonds may be issued for a period of 20 or less years.

Limitations on debt.--The constitution limits the legal debt to 10 percent of the locally assessed valuation plus the valuation of State-assessed utilities. No State executive agency can fix the debt limit or approve a higher limit in special cases.

Voting requirements.--All school bond issues must be approved in the annual school meeting or a special election by a two-thirds majority of the qualified electors who participate in the election.

Approval and sale of bonds.--After the bonds are approved and prior to their sale, they are required to be registered in the office of the State Auditor. Bonds are usually sold at a fixed interest rate on the yield basis. There is no restriction as to first offering bonds to a State agency for purchase. Although the State does not have an established plan for assisting school districts with the sale of bonds, districts may obtain consultative suggestions through the building service section of the State Department of Education. Money from the sale of bonds not needed for immediate use may be invested.

Bond records, tax levies, and payments.--Levies for
in addition to those for current school program. Local s
the records of school bond issues and determine the levie
made each year for retiring bonded indebtedness.

Short-term indebtedness.--There are no provisions fo
indebtedness for school purposes. The board of educatio
having within its boundaries a city of 75,000 up to 700,0
by majority board action, borrow money, and issue negoti
of revenue derived from school taxes for the purposes of
year in which such notes were issued.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget and related forms, as well as
use of these forms, are to be provided by the State Depa
It is not mandatory that these forms be used; but since t
developed cooperatively by State and local school offici
voluntarily use the forms. The school fiscal year begin
on June 30.

Local approval.--Each school district is required t
budget, but it is not necessary to post or publish a copy
file a copy of the document with another governmental ag
decisions of the local boards of education are final. F
expenditure must be within the amount of estimated recei

Budgets applicable to common school districts must
local board by March 1. Such budgets can only be modifi
approval of the county superintendent.

State review or approval.--No State agency has any
of school budgets. It is not required that copies of th
with any State agency except for those districts under s
county superintendent. In such cases, the budget and ac
are filed following the completion of the school year fo
receipts and expenditures are applicable.

Provisions for School Audits

Biennial audits are required by Sec. 165.121, RSMo.
is to be filed with the State Department of Education, t
tendent, and the local board of education, and a summary
In addition, audits may be authorized when a petition is
the State Auditor to conduct an audit. The cost of aud
district obligation.

re established by elected town-
ization have authority to
s authority to adjust valu-
county has been increased by
n, the tax rate must be
mount of revenue that was

ratio studies to determine
ounties. This assessment ratio
orders to those counties with
ed standard. The county board
ent within the county to con-

es, together with any interest
ools each year on the basis
age tax levies on State-assessed
districts partially on an enumer-
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counties, to a degree, there

rtation payments from patrons,
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are initiated by the local

nds may be issued for a period

s the legal debt to 10 percent
ion of State-assessed utilities.
or approve a higher limit in

must be approved in the annual
rds majority of the qualified

are approved and prior to
the office of the State
est rate on the yield basis.
s to a State agency for
tablished plan for assisting
s may obtain consultative
of the State Department of
ed for immediate use may be

Bond records, tax levies, and payments.--Levies for debt retirement are in addition to those for current school program. Local school boards keep the records of school bond issues and determine the levies which must be made each year for retiring bonded indebtedness.

Short-term indebtedness.--There are no provisions for incurring temporary indebtedness for school purposes. The board of education of a school district having within its boundaries a city of 75,000 up to 700,000 inhabitants may, by majority board action, borrow money, and issue negotiable notes payable out of revenue derived from school taxes for the purposes of such money for any year in which such notes were issued.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget and related forms, as well as assistance in the use of these forms, are to be provided by the State Department of Education. It is not mandatory that these forms be used; but since they have been developed cooperatively by State and local school officials, most districts voluntarily use the forms. The school fiscal year begins on July 1 and ends on June 30.

Local approval.--Each school district is required to prepare a school budget, but it is not necessary to post or publish a copy of the budget or to file a copy of the document with another governmental agency or unit. Budget decisions of the local boards of education are final. Funds authorized for expenditure must be within the amount of estimated receipts and balances.

Budgets applicable to common school districts must be acted on by the local board by March 1. Such budgets can only be modified with the written approval of the county superintendent.

State review or approval.--No State agency has any authority for review of school budgets. It is not required that copies of the budgets be filed with any State agency except for those districts under supervision of the county superintendent. In such cases, the budget and actual financial data are filed following the completion of the school year for which reported receipts and expenditures are applicable.

Provisions for School Audits

Biennial audits are required by Sec. 165.121, RSMo., 1966. The audit is to be filed with the State Department of Education, the county superintendent, and the local board of education, and a summary thereof published. In addition, audits may be authorized when a petition is presented requesting the State Auditor to conduct an audit. The cost of audits is a local school district obligation.

MONTANA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

MONTANA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Elizabeth N. Harrison, Director, Financial and Statistical Services, Montana State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 26 percent of the nonfederal revenue for local elementary and secondary schools, including only State, county, and local revenue receipts, is provided by the State.
2. About 41 percent of the State grants for public school support are provided through appropriation from the State general revenue fund; 27 percent comes from permanent school endowment income; and 31 percent from a quarter of the individual income tax payments and corporation license taxes and a half of the United States oil and gas royalty receipts. Less than 1 percent is from fees, fines, and forfeitures related to motor vehicle operation and voilations.
3. State grants distributed through the Equalization Aid Fund account for 95 percent of the State money distributed for public school support.
4. Elementary school districts receive State financial support through an apportionment based on a census of persons 6 to 20 years of age living in the district. The census apportionment counts toward the State's share of the foundation program, hence reduces the amount of State Equalization Aid paid to districts through the foundation program formula.
5. Other State-support funds provide financial assistance for pupil transportation, vocational education, driver education, and education of pupils whose parents are resident employees of certain State institutions.

LOCAL SUPPORT

1. An estimated 96 percent of the local district and county revenue for public school support is derived from property taxes. Of this amount 61 percent is from local district taxes and 39 percent is from taxes levied by the county.
2. Revenue from sources other than property taxes amounts to about 4 percent of the total local-county revenue and is derived from tuition, rentals, interest, lunch receipts, and other miscellaneous items.
3. A county tax effort of 24 mills for elementary schools and 14 mills for high schools is required to qualify for State equalization payment under the State Foundation Program. Counties must also levy taxes for high school transportation and retirement purposes.
4. Elementary and high school districts may also levy taxes to produce an amount up to 25 percent above the foundation level without electoral approval.
5. Amounts for general operation and maintenance budgets in excess of 25 percent of the foundation program may be levied with the electorate's approval. The amount that may be approved is not limited by law. Approval must be obtained annually.
6. Taxes for pupil transportation, debt service, bus depreciation reserve, tuition, nonoperating districts, and teacher retirement may be levied without electoral approval. The amount that may be approved is not limited by law.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support the calculated State program allowar
Total	$34,675,000	(100.0%)	
STATE EQUALIZATION AID (Secs. 75,1713.1, Ch. 36 of Title 75, 75-3706, 75-4516.1, 75-4518.1, 75-5003 R.C.M. 1947 as amended.)	$23,000,000	(67.4%)	

Current expense, grades 1-14...	Based on average number of pupils belonging (ANB). Figures listed are maximum budget amounts without a vote of the electorate. The foundation program is defined to be 80 percent of these figures.
Elementary school (ANB)	
1-9	$6,472
10-17........................	$6,472 for the first 9 pupils, plus $191.00 for each added pupil.
18-25 (1 teacher)........... (No credit for more than 25)	$8,187 for the first 18 pupils, plus $76.00 each additional pupil.
18-50 (2 teachers).......... (No credit for more than 50)	$14,704 for first 18 pupils, plus $76.00 each additional pupil.
41-100 (3 or more teachers).	$518.00 per pupil decreased by $.39 per pupil for each pupil above 41.
101-300......................	$495.00 decreased by $.46 per pupil above 101.
301 or more	$402.25 per pupil.
High school and Community College (ANB)	
24 or less....................	$31,085
25-40........................	$1,295 per pupil reduced by $8.5[illegible] for each pupil above 25.
41-100.......................	$1,158 per pupil reduced by $5.79 for each pupil above 41.
101-200......................	$810.65 per pupil reduced by $1.89 for each pupil above 101.
201-300......................	$621.70 per pupil reduced by $.40 for each pupil above 201.
301-600......................	$579.00 per pupil reduced by .11 for each pupil above 301.
601 or more..................	$546.00 per pupil.

State share.--Foundation program minu
local share. Total amount of foundat
program revenues available for suppor
the foundation program, including the
grant for this distribution and the S
Interest and Income Fund, is divided
calculated statewide amount of the fo
tion program. Where the ratio of cou
funds available for support of the fo
tion program to the program amount in
the districts in the county is less t
the State ratio, funds from the State
provided in support of such proportio
part of the foundation program.

Elementary: State Interest and Incom
considered local money and is added t
county funds available for support o
foundation program. The sum is deduc
from the foundation program amount to
determine the State Equalization Aid.

High school and community college: Fo
tion program minus local share (count
funds,) = State Equalization Aid.

Local share.--24-mill basic countywi
for common schools (elementary grade
14-mill*basic county tax for high sch
Other sources of local district incom
including miscellaneous revenues, re
from Federal grazing and forestry la
(U.S. mineral, oil, and gas royalties
State, not district, sources.) County
described, or at least as much there
need to support 100 percent of the f
tion program cost are required for p
pation. The county distributes rece
from the basic county taxes for scho
proportion to calculated foundation
requirements for the districts after
ing the State Interest and Income Fu
local receipts.

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*14 mills reduced by distribution of
plus State aid from previous year.

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ate Funds for the public schools and for program participation

rcent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . $34,675,000 (100.0%)		
$23,000,000 (67.4%)		
, 03		
Based on average number of pupils belonging (ANB). Figures listed are maximum budget amounts without a vote of the electorate. The foundation program is defined to be 80 percent of these figures. $6,472 $6,472 for the first 9 pupils, plus $191.00 for each added pupil. $8,187 for the first 18 pupils, plus $76.00 each additional pupil. $14,704 for first 18 pupils, plus $76.00 each additional pupil. $518.00 per pupil decreased by $.39 per pupil for each pupil above 41. $495.00 decreased by $.46 per pupil above 101. $402.25 per pupil. e (ANB) $31,085 $1,295 per pupil reduced by $8.55 for each pupil above 25. $1,158 per pupil reduced by $5.79 for each pupil above 41. $810.65 per pupil reduced by $1.89 for each pupil above 101. $621.70 per pupil reduced by $.40 for each pupil above 201. $579.00 per pupil reduced by .11 for each pupil above 301. $546.00 per pupil.	State share.--Foundation program minus local share. Total amount of foundation program revenues available for support of the foundation program, including the State grant for this distribution and the State Interest and Income Fund, is divided by the calculated statewide amount of the foundation program. Where the ratio of county funds available for support of the foundation program to the program amount in all the districts in the county is less than the State ratio, funds from the State are provided in support of such proportionate part of the foundation program. Elementary: State Interest and Income is considered local money and is added to county funds available for support of the foundation program. The sum is deducted from the foundation program amount to determine the State Equalization Aid. High school and community college: Foundation program minus local share (county funds,) = State Equalization Aid. Local share.--24-mill basic countywide levy for common schools (elementary grades). 14-mill*basic county tax for high schools. Other sources of local district income, including miscellaneous revenues, receipts from Federal grazing and forestry lands. (U.S. mineral, oil,and gas royalties are in State, not district, sources.) County taxes described, or at least as much thereof as need to support 100 percent of the foundation program cost are required for participation. The county distributes receipts from the basic county taxes for schools in proportion to calculated foundation program requirements for the districts after deducting the State Interest and Income Fund local receipts. *14 mills reduced by distribution of surplus State aid from previous year.	Requirements for participation.--Counties must make necessary tax levies. Funds provided may be used for current operating purposes and not for debt retirement, adult education, kindergarten, recreation programs, school lunch and cafeteria, new buildings and grounds, or pupil transportation. Classes for mentally retarded or physically handicapped children are eligible for approximately 3 to 6 x the support of regular classes, provided special approval is obtained. Extent of participation.--Estimated 590 elementary districts, 138 high school districts, 2 community college districts, and 1 junior college district. Distributed.--In 2 payments in January and June.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support the calculated State program allowa
High school and Community College--continued		If State Equalization Aid should be i sufficient to meet foundation program requirements, a county levy must be m (without a vote) in the amount of the deficiency. (Will be 8 percent of the ation program in 1968-69.)
Special Education for Mentally Retarded and Physically Handicapped Children..................	Same amount per ANB as specified for the State Foundation Program Fund, based on an allowance of 6 ANB per child (not to exceed 45 ANB)for each specially approved class for mentally retarded or physically handicapped. Additional weighted ANB allowed for other approved special education programs such as speech therapy, home or hospital tutoring, school-at-home telephone communication, is determined by State schedule for the time required and is not to exceed 6 for each child enrolled in such program. The allowable cost of transportation for such children is based on a State schedule of allowances.	State share.--Amount depends on State of the school district's foundation pr since special education ANB must be c bined with regular ANB in determining amount of the foundation program and of amount of transportation allowance Local share.--County pays proportiona amount for the extra ANB included in district's foundation program. County pays remaining 1/3 of amount f transportation of mentally retarded a physically handicapped children.
Public school services for pupils enrolled in non-profit private schools..................	Pupils enrolled in private schools and attending classes in a public school are counted as ANB for the proportionate time spent in the public school, and this ANB is included in determining the amount of State aid for which a district may qualify.	
INTEREST AND INCOME - (Sec. 5, Art. XI, State Constitution and secs. 75-1315, 1523, 1524, 1903, and 1904, R.C.M., 1947.)	$9,500,000 (27.4%)	
Current expenses, grades 1-8...	Amount per school census child 6-20 years of age, inclusive, in qualified districts.	State share.--100 percent of calculat amount. Local share.--None

MONTANA

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for the public schools and for program participation

tate funds for school support, ct allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
d	If State Equalization Aid should be insufficient to meet foundation program requirements, a county levy must be made (without a vote) in the amount of the deficiency. (Will be 8 percent of the foundation program in 1968-69.)	
nt per ANB as specified for the ndation Program Fund, based on nce of 6 ANB per child (not to ANB) for each specially approved mentally retarded or physi- dicapped. l weighted ANB allowed for roved special education programs peech therapy, home or hospital school-at-home telephone com- n, is determined by State sched- he time required and is not to for each child enrolled in ram. The allowable cost of ation for such children is a State schedule of allowances. rolled in private schools and classes in a public school are ANB for the proportionate t in the public school, and is included in determining the State aid for which a district fy.	State share.--Amount depends on State share of the school district's foundation program, since special education ANB must be combined with regular ANB in determining the amount of the foundation program and 2/3 of amount of transportation allowance. Local share.--County pays proportionate amount for the extra ANB included in the district's foundation program. County pays remaining 1/3 of amount for transportation of mentally retarded and physically handicapped children.	
$9,500,000 (27.4%)		Requirements for participation.--Elementary district must operate a school and report the number of persons in the district 6 to 20 years of age, inclusive.
r school census child 6-20 ge, inclusive, in qualified dis-	State share.--100 percent of calculated amount. Local share.--None	Extent of participation.--Estimated 700 elementary school districts. Distributed.--Annually in February

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance

TRANSPORTATION AID $1,200,000 (3.5%)
(Ch. 34, Title 75, sec. 75-5003,
R.C.M. 1947 as amended.)

Transportation................. Amount per day per child in relation to distance between home and school -

Individual Transportation

One-way distance home-to-school (miles)	Amount per day per child		
	One child in household	Each added child in household	Maximum per household
3-5	$.30	$.12	$ .66
5-7	.36	.12	.84
7-12	.48	.12	1.08
12 or more	.60	.12	1.20

This individual schedule may be increased on the basis of isolation, on approval of board of trustees, county Transportation Committee, and State Superintendent. Increased payments range from 25 percent to 100 percent of individual schedule, depending on degree of isolation.

Rated pupil capacity of bus	Maximum amount per bus mile
6 or fewer	$.12
7-11	.15
12-30	.20

Maximum per mile allowance for buses rated above 30 is $.20 for the first 30 pupils, plus $.005 for each additional pupil above this number.

For maximum State reimbursement, bus must transport at least 75 percent of its rated capacity in eligible transportees.

State share.--1/3 of statutory schedule, and 2/3 of transportation expense for mentally retarded and physically handicapped children.

Local share.--County pays 1/3 of statutory schedule amount for elementary pupils, 2/3 of the statutory schedule amount for high school pupils, and balance of expense for transporting mentally retarded and physically handicapped children. Elementary school districts pay the remaining 1/3 of statutory schedule amount from district taxes. School districts providing bus transportation programs may expend funds in excess of the statutory schedule amount. Such excess is financed by district taxation.

DRIVER EDUCATION AID $ 100,000 (0.3%)
(Secs. 31-114, 94-801.2, and 32-1131
R.C.M., 1947, as amended; Ch. 53 of Title 75.)

Driver Education.............. Amount per pupil completing the program is determined each year on the basis of student completions and State revenue collections.

State share.--100 percent of calculated amount to a maximum based on the amount expended for pupils completing the course derived from earmarked revenue, from fees, fines, and forfeitures related to vehicular operation and violation.

Local share.--All costs not covered by reimbursement.

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s for the public schools and for program participation

<table>
<tr><th>State funds for school support,
rict allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
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$1,200,000 (3.5%)

er day per child in relation to
between home and school -
ndividual Transportation

<table>
<tr><th></th><th colspan="3">Amount per day per child</th></tr>
<tr><th></th><th>One child in household</th><th>Each added child in household</th><th>Maximum per household</th></tr>
<tr><td></td><td>$.30</td><td>$.12</td><td>$ .66</td></tr>
<tr><td></td><td>.36</td><td>.12</td><td>.84</td></tr>
<tr><td></td><td>.48</td><td>.12</td><td>1.08</td></tr>
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ividual schedule may be increased
basis of isolation, on approval
of trustees, county Transporta-
mittee, and State Superintendent.
ed payments range from 25 percent
percent of individual schedule,
g on degree of isolation.

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<tr><th>pupil
y of bus</th><th>Maximum amount per bus mile</th></tr>
<tr><td>fewer</td><td>$.12</td></tr>
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per mile allowance for buses
bove 30 is $.20 for the first 30
plus $.005 for each additional
bove this number.
imum State reimbursement, bus must
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apacity in eligible transportees.

$ 100,000 (0.3%)

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State share.--1/3 of statutory schedule, and 2/3 of transportation expense for mentally retarded and physically handicapped children.

Local share.--County pays 1/3 of statutory schedule amount for elementary pupils, 2/3 of the statutory schedule amount for high school pupils, and balance of expense for transporting mentally retarded and physically handicapped children. Elementary school districts pay the remaining 1/3 of statutory schedule amount from district taxes. School districts providing bus transportation programs may expend funds in excess of the statutory schedule amount. Such excess is financed by district taxation.

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Requirements for participation.--Children must live at least 3 miles from school.

Extent of participation.-- Estimated 597 elementary districts and 168 high school districts.

Distributed.--In December and June.

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per pupil completing the program
rmined each year on the basis of
completions and State revenue
ions.

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State share.--100 percent of calculated amount to a maximum based on the amount expended for pupils completing the course derived from earmarked revenue, from fees, fines, and forfeitures related to vehicular operation and violation.

Local share.--All costs not covered by reimbursement.

</td><td>

Requirements for participation.--Course must be State-approved, meet basic course requirements, and be taught by a properly qualified teacher of driver education.

Extent of participation.--Estimated 90-school districts.

Distributed.--After completion of course on the basis of approved applications.

</td></tr>
</table>

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for su the calculated State program a
VOCATIONAL EDUCATION AID (Sec. 75-4246, R.C.M. 1947) $ 450,000 (1.3%) Vocational Education .... Annually determined percentage of approved expenditures.	State share.--Percent of approved as funds allow. Federal funds f tional education in addition to amount listed, are also provided program. Local share.--Expenses not cover bursement.
"STATE IMPACT AID"* (75-3624, R.C.M. 1947) $ 25,000 (.1%) Elementary school........... $150 per pupil. High school................. $250 per pupil.	State share.--100 percent of cal amount, such amount not to be co part of normal State Equalizatio Local share.--None.

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* Assistance to school districts for educating children of State employees residing on property of State institutions.

MONTANA

r the public schools and for program participation

te funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 450,000 (1.3%)		
termined percentage of approv- ures.	State share.--Percent of approved expense as funds allow. Federal funds for vocational education in addition to the State amount listed, are also provided for this program. Local share.--Expenses not covered by reimbursement.	Requirements for participation.--Course must be State-approved, meet basic course requirements, and be taught by a properly qualified teacher of driver education. Extent of participation.--Estimated 42 school districts. Distributed in June, after close of school term.
$ 25,000 (.1%)		
pil. pil. hildren of State employees	State share.--100 percent of calculated amount, such amount not to be considered a part of normal State Equalization Aid. Local share.--None.	Requirements for participation.--Children must attend school and reside on the property of a State Institution at which the parent is employed. District must apply for such aid. Extent of participation.-- 9 school districts. Distributed in June, after close of school term.

LOCAL SUPPORT, 1968-69--continued

Provisions for Raising School Revenue

Property assessments.--Property valuations are established by the county assessors who are elected by the people. These valuations can be changed by the county commissioners after hearing. Assessment procedures are supervised by State officials, are subject to State approval, and may be changed by the State Board of Equalization to equalize assessments on a statewide basis. All intercounty public utilities are assessed by the State Board of Equalization. This Board has authority to change valuations established locally for the purpose of making them more equitable.

Counties are authorized to levy a basic 24 mills for the elementary schools, a basic 14 mills for the high schools, a high school transportation mill levy to meet the need, and a high school retirement levy to meet the need. The 24- and 14-mill basic levies are required unless they produce more than is needed for the foundation program. Nonproperty tax revenue is derived from fines, rentals, donations, and miscellaneous Federal revenue received by the county.

If the basic levies and State Foundation Program Fund support do not provide an adequate amount to finance fully the foundation program, additional county levies, as necessary, are to be levied.

Local districts.--If State interest and income revenue and other available revenues of a district produce less than the foundation program cost, the district will participate in county and State equalization aid. Each elementary and high school district is allowed to tax itself for the amount necessary up to 25 percent in excess of the foundation program without a vote of the people. Any amount above these percents in excess of the foundation program must be approved by a majority vote of the people. Levies for debt service, transportation for elementary grades, teacher retirement for elementary districts, and tuition for elementary grades, are in addition to these levies, and do not require a vote.

Provisions for School Indebtedness

Initiating bond issues.--In common school districts, school bond issues must be initiated by 20 percent of the qualified voters of the district or have board of trustee resolution. The purposes for which the bonds are to be raised must be stated in the petition. Upon receipt of such petition or the passage of such resolution, the board of trustees must act to place the question before the people. Montana has high school districts which may initiate a bond election either by the above procedure with a petition initiated by 30 percent of qualified voters or upon resolution of the board of trustees of the high school district.

Limitation on issuance of bonds.--School bonds in Montana may be either amortization or serial, but preferably amortization or sinking fund. The maximum number of years for which these bonds may run is 20.

Limitation on debt.--By constitutional and statutory provisions no elementary or high school district may become indebted by more than 5 percent of its assessed valuation. There is no provision to approve any different bonding potential.

Voting requirements.--No deb may be created nor bonds issued without a vote of the people, except certain refunding bonds. Forty percent of the qualified voters must vote at such election and a majority of those voting must vote favorably in order that the election shall be legal.

Approval and sale of bonds.--Prior to th
all bond issues must be approved by the Attor
interest rate must not exceed 6 percent.

The State does not assist with the sale
sale of bonds that are not immediately neede

Bond records, tax levies, and payments.-
service are levied over and above those for c
county treasurer is responsible for maintaini
of trustees is responsible for payment of the
matter the county treasurer is responsible.

Short-term indebtedness.--Emergency war
emergency budgets, to finance unexpected and
or replace damaged or destroyed facilities
school. Taxes to repay these warrants must
year on the district involved.

BUDGETS AND A

Provisions for School Budgets

Budget forms.--The budget form used in
prescribed by the State Superintendent of Pu
and ending dates of the fiscal year are July

Local approval.--The local board of tru
pares the elementary budget and high school
July 1 of each year. A legal notice of prel
The county commissioners, county budget boar
budget before it is adopted. County superin
formation for these budgets and help with pr
to check these budgets to see that they conf
fourth Monday in July must be given to all s
ty commissioners sitting as a county budget
have authority to check that the budget conf
restrict budgets in areas of discretion, such

State review or approval.--A copy of e
filed with the State Superintendent of Publi
each year by the county superintendent of sc
the State will constitute the application fo
State Superintendent of Public Instruction h
budget laws.

Provisions for School Audits

Third-class districts not maintaining
audited either by the county auditor or cou
School districts of the first-, second-,
taining a high school, must have their book
State Bank Examiner. All districts must ha
each year.

968-69--continued

aluations are established by the county
e. These valuations can be changed by the
s.essment procedures are supervised by State
al, and may be changed by the State Board of
n a statewide basis. All intercounty public
ard of Equalization. This Board has author-
ocally for the purpose of making them more

basic 24 mills for the elementary schools,
a high school transportation mill levy to
ement levy to meet the need. The 24- and
ss they produce more than is needed for the
revenue is derived from fines, rentals,
evenue received by the county.

ndation Program Fund support do not provide
e foundation program, additional county
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st and income revenue and other available
an the foundation program cost, the district
qualization aid. Each elementary and high
lf for the amount necessary up to 25
ogram without a vote of the people. Any
of the foundation program must be approved
ies for debt service, transportation for
for elementary districts, and tuition for
these levies, and do not require a vote.

n school districts, school bond issues must
ified voters of the district or have board of
which the bonds are to be raised must be
of such petition or the passage of such reso-
to place the question before the people.
n may initiate a bond election either by the
ed by 30 percent of qualified voters or upon
the high school district.

-School bonds in Montana may be either amort-
ization or sinking fund. The maximum number
is 20.

ional and statutory provisions no elementary
bted by more than 5 percent of its assessed
pprove any different bonding potential.

be created nor bonds issued without a vote
bonds. Forty percent of the qualified
majority of those voting must vote favorably
al.

Approval and sale of bonds.--Prior to the sale of bonds, the procedures of **all bond issues must be approved by the Attorney General of Montana.** The interest rate must not exceed 6 percent.

The State does not assist with the sale of school bonds. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments.--The taxes necessary for debt service are levied over and above those for current school programs. The county treasurer is responsible for maintaining the bond records. The board of trustees is responsible for payment of the bonds. Should they neglect this matter the county treasurer is responsible.

Short-term indebtedness.--Emergency warrants may be issued for approval of emergency budgets, to finance unexpected and significant enrollment increases or replace damaged or destroyed facilities necessary for the maintenance of school. Taxes to repay these warrants must be levied the following school year on the district involved.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--The budget form used in all school districts of Montana is prescribed by the State Superintendent of Public Instruction. The beginning and ending dates of the fiscal year are July 1 and June 30.

Local approval.--The local board of trustees in each school district prepares the elementary budget and high school budget which must be approved by July 1 of each year. A legal notice of preliminary budget must be published. The county commissioners, county budget board, must give legal notice of the budget before it is adopted. County superintendents assist in gathering information for these budgets and help with preparation. It is also their duty to check these budgets to see that they conform to law. Final approval on the fourth Monday in July must be given to all school budgets by the board of county commissioners sitting as a county budget board. The county commissioners have authority to check that the budget conforms to legal provisions and to restrict budgets in areas of discretion, such as "isolated schools."

State review or approval.--A copy of every local district budget must be filed with the State Superintendent of Public Instruction by September 1 of each year by the county superintendent of schools. The budget forwarded to the State will constitute the application for State equalization funds. The State Superintendent of Public Instruction has general supervision over all budget laws.

Provisions for School Audits

Third-class districts not maintaining a high school must have their books audited either by the county auditor or county treasurer once each year. School districts of the first-, second-, and third-class districts maintaining a high school, must have their books audited once each year by the State Bank Examiner. All districts must have extracurricular funds audited each year.

NEBRASKA
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

NEBRASKA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Lawrence L. Graham, Director of School Finance, Nebraska Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 18.3* percent of the nonfederal revenue for local elementary and secondary schools including only State, county, and local revenue receipts is provided by the State.

2 About 78 percent of the State funds apportioned to public school districts is distributed through the School Foundation and Equalization Fund established in 1967. The remaining 22 percent is distributed through seven other funds: (a) Temporary School Fund --Census Variable Portion, 7.3 percent; (b) Insurance Premium Tax Fund, 5.4 percent; (c) Temporary School Fund--District Constant Portion, 2.4 percent; (d) Special Education Fund, 3.4 percent; (e) Temporary School Fund--In-Lieu-of School Land Tax Portion, 1.4 percent; (f) Driver Education Fund, 1.7 percent; and (g) Vocational Education Fund, .2 percent.

LOCAL SUPPORT

1. There are no local or county nonproperty taxes for school support other than might be appropriated from county and local receipts from fines and licenses. There is a tax of 5 percent on the gross revenue of retail power sales in cities and villages.

2. Real estate values for tax purposes are established by elected county assessors. Uniform statewide standards for property valuation must be used when established by the State Board of Equalization. The value of personal property is declared by the taxpayer.

3. In order to participate in the Equalization Portion of the School Foundation and Equalization Fund, local districts are required to levy on taxable property from 16 to 7 mills depending upon district classification.

4. Tax rates for general school purposes are determined by local boards of education or by assemblies of patrons in elementary school districts.

5. The debt limit for school bonds is 40 percent of the assessed value of taxable property in elementary school districts and in districts under 1,000 population maintaining grades 1-12. There is no specified legal limit for other districts. The State recommends a maximum indebtedness of 10 percent of the assessed value of the district.

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* Estimated from U.S. Office of Education and National Education Association data.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirem distric for
Total $32,026,885 (100.0%)		
SCHOOL FOUNDATION AND EQUALIZATION FUND (LB 448, July 1967; Sec. 79-1330 through 79-1344 RS Supp., 1967 Nebraska) $25,000,000 (78.1%)		
Foundation portion............... Each district shall receive financial support from the School Foundation and Equalization Fund as follows: $12.50 Kindergarten pupils $25.00 Grades 1-6 $30.00 Grades 7-8 $35.00 Grades 9-12 the applicable sum for each category to be multiplied by the preceding year's ADM of resident and nonresident pupils in each category.	State share.--100 percent of calculated amount. Local share.--None.	Requirem must subm prescrib Extent o Class I Distribu April 1.
Equalization portion............. The smaller of the following calculations (a) $225 per kindergarden pupil $450 Grades 1-6 $500 Grades 7-8 $550 Grades 9-12 the applicable sum for each category to be multiplied by the ADM for the preceding year of resident and nonresident pupils in each category, or (b) 108 percent of the district's per pupil cost for the preceding year multiplied by the district's ADM for the preceding year.	State share.-- 100 percent of calculated amount minus (1) funds distributed to districts under the foundation portion of this fund, (2) the district qualifying levy (operating funds received from that portion of the local tax levy which exceeds the required minimum shall be excluded from this computation), (3) tuition, (4) fines, (5) license fees, (6) transportation reimbursements, (7) the Insurance Tax Fund, (8) funds received under the provisions of Ch. 79, art. 13, Reissue Revised Statutes of Nebraska, 1943, (9) subsections (3)(a) and (3)(b) of P.L. 874, 81st Congress, as amended, and (10) the Johnson-O'Malley Act, 25 United States Code 452, as amended. (A district which does not apply for the Federal funds referred to in (9) and (10) above shall have the amount which it would receive upon such application subtracted from the amount of equalization aid it would otherwise receive.) Local share.--A required tax on the valuation of all taxable property within the district for the preceding year, except intangible property as follows: (1) For Class I districts, not less than ten mills; (2) for Class II, III, IV, and V districts, not less than sixteen mills; and (3) for Class VI districts, not less than seven mills.	

9

for the public schools and for program participation

tate funds for school support, ct allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . $32,026,885 (100.0%) $25,000,000 (78.1%)		
rict shall receive financial rom the School Foundation and ion Fund as follows: Kindergarten pupils Grades 1-6 Grades 7-8 Grades 9-12 cable sum for each category to lied by the preceding year's sident and nonresident pupils ategory.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Districts must submit annual financial reports on prescribed dates. Extent of participation.--Estimated 2,100 Class I through VI districts. Distributed.--Two payments: December 1, and April 1.
er of the following calculations per kindergarden pupil Grades 1-6 Grades 7-8 Grades 9-12 cable sum for each category to lied by the ADM for the preced- of resident and nonresident pu- ach category, or rcent of the district's per pu- for the preceding year multi- the district's ADM for the pre- ar.	State share.-- 100 percent of calculated amount minus (1) funds distributed to districts under the foundation portion of this fund, (2) the district qualifying levy (operating funds received from that portion of the local tax levy which exceeds the required minimum shall be excluded from this computation), (3) tuition, (4) fines, (5) license fees, (6) transportation reimbursements, (7) the Insurance Tax Fund, (8) funds received under the provisions of Ch. 79, art. 13, Reissue Revised Statutes of Nebraska, 1943, (9) subsections (3)(a) and (3)(b) of P.L. 874, 81st Congress, as amended, and (10) the Johnson-O'Malley Act, 25 United States Code 452, as amended. (A district which does not apply for the Federal funds referred to in (9) and (10) above shall have the amount which it would receive upon such application subtracted from the amount of equalization aid it would otherwise receive.) Local share.--A required tax on the valuation of all taxable property within the district for the preceding year, except intangible property as follows: (1) For Class I districts, not less than ten mills; (2) for Class II, III, IV, and V districts, not less than sixteen mills; and (3) for Class VI districts, not less than seven mills.	

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Re d
SCHOOL FOUNDATION AND EQUALIZATION FUND--continued			
(density adjustment).............	When the population density in any county is less than four persons per square mile, as determined from the most recent Federal decennial census, the total financial support under subdivision (1)* of this section insured for each district in the county shall be increased by the following percentages: (a) If the population density is three or more but less than four persons per square mile, 10%; (b) if the density is two or more but less than three persons per square mile, 20%; (c) if the density is one or more but less than two persons per square mile, 30%; and (d) if the density is less than one person per square mile, 40%; Provided, any school district within a qualifying county showing a density greater than provided in this subdivision shall not qualify for such percentage increases.		
(gifted or culturally deprived children calculation)...	A district which provides a special program for (1) gifted children, or (2) culturally and educationally deprived children, shall be entitled to count each pupil regularly enrolled in such programs during the preceding year as one and one-fourth and two students respectively.		
(transportation calculation).....	Each student eligible to be transported by bus according to the provisions of section 79-490, Reissue Revised Statutes of Nebraska, 1943, shall be counted as one and one-fourth students.		
(incentive calculation)..........	College preparation (degree or years of college) — Amount Doctorate — $350 Master's or equivalent or 6-year college program — 250 Bachelor's — 150 Summer School Program — 20 cents per student hour for each student participating.		

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* refers to support guaranteed by the equalization portion of the School Foundation and Equalization Fund.

NEBRASKA

1968-69 --continued

funds for the public schools and for program participation

t of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
--continued en the population density in any unty is less than four persons per uare mile, as determined from the most cent Federal decennial census, the to- l financial support under subdivision) of this section insured for each strict in the county shall be in- eased by the following percentages:) If the population density is three more but less than four persons per uare mile, 10%; (b) if the density is o or more but less than three persons r square mile, 20%; (c) if the density one or more but less than two persons r square mile, 30%; and (d) if the nsity is less than one person per uare mile, 40%; Provided, any school strict within a qualifying county owing a density greater than provided this subdivision shall not qualify r such percentage increases. district which provides a special ogram for (1) gifted children, or (2) lturally and educationally deprived ildren, shall be entitled to count ch pupil regularly enrolled in such ograms during the preceding year as e and one-fourth and two students spectively. ch student eligible to be transported bus according to the provisions of ction 79-490, Reissue Revised Statutes Nebraska, 1943, shall be counted as e and one-fourth students. llege preparation (egree or years of llege) — Amount ctorate — $350 ster's or equivalent or -year college program — 250 chelor's — 150 mmer School Program — 20 cents per student hour for each student participating. alization portion of the School		

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requi distr
SCHOOL FOUNDATION AND EQUALIZATION FUND--continued		
(district budget increase limitation).................... For districts in which actual per pupil costs in any year exceed the total financial support provided for in the foundation & equalization portions of this fund, this increase shall not exceed the larger of the following amounts (1) The sum necessary to support an increase in per pupil expenditures which, when added to the increases and decrease of the four preceding fiscal years, results in a mean annual increase in per pupil costs for the five-year period of eight percent, or (2) The sum necessary to support a per pupil cost 8 percent above that of the preceding year; Provided, a district which may suffer undue financial hardship because of such limitations, such hardship being a result of an abnormal change in enrollment, depreciation in the value of school properties, alteration of property values within the district, or other abnormalities or emergencies of similar magnitude or consequence may file a written application for relie with the State Board of Education, which may grant whatever relief, if any, it deems appropriate by altering the percentage limitations of this section.		

9 --continued

for the public schools and for program participation

tate funds for school support, ct allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
nued ricts in which actual per pu- in any year exceed the total support provided for in the on & equalization portions of , this increase shall not ex- larger of the following amount sum necessary to support an in- per pupil expenditures which, ed to the increases and decrease our preceding fiscal years, re- a mean annual increase in per sts for the five-year period of rcent, or sum necessary to support a per st 8 percent above that of the year; Provided, a district suffer undue financial hard- ause of such limitations, such being a result of an abnormal enrollment, depreciation in of school properties, altera- property values within the dis- r other abnormalities or emergen similar magnitude or consequence a written application for relie State Board of Education, which t whatever relief, if any, it propriate by altering the per- limitations of this section.		

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STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares the calculated State pr
TEMPORARY SCHOOL FUND--CENSUS VARIABLE PORTION (Revised Statutes of Nebraska, secs. 79-3101 to 79-1308, established in 1881.)		$2,352,302	(7.3%)	
Current Expense, grades K-12....	This distribution is for 3/4 of the balance of the Temporary School Fund after the in-lieu-of tax portion has been deducted. Distributed in proportion to the number of children, 5-18 years of age, resident in the district.			State share--100 percent amount. Local share--None. There of P.L. 874 receipts in e amounts of State grants.
Services for pupils enrolled in nonprivate schools...........	State funds are not provided and may not be used for pupils enrolled full time in nonprofit private schools or for so-called shared time where pupils may be enrolled in one or more classes but less than half time in a public school.			
INSURANCE PREMIUM TAX FUND (Current expense, grades K-12). (Revised Statutes of Nebraska, secs. 77-908 to 77-914, established in 1951.)		$1,719,000	(5.4%)	
Insurance Premium Tax Fund......	Distributed to counties in proportion to county population and redistributed within counties in proportion to district ADA.			State share--100 percent Amount. Amount indicate of half of State revenue Local share--None.
TEMPORARY SCHOOL FUND--DISTRICT CONSTANT PORTION (Revised Statutes of Nebraska secs. 79-1301 to 79-1308, established in 1881)		$ 784,062	(2.4%)	
Current Expense, grades K-12....	This distribution is for the balance of the Temporary School Fund and is divided equally amont all eligible districts.			State share--100 percent amount. Local share--None.
SPECIAL EDUCATION FUND (Revised Statutes of Nebraska secs. 43-601 to 43-611 and secs. 79-1409 to 79-1414, established in 1949.)		$1,102,244	(3.4%)	
Educable Mentally Handicapped... Physically Handicapped, includes partially sighted preschool children.	Cost of necessary special instruction for handicapped children.			State share--Excess cost viding necessary special the per pupil cost for ot Limited to $300 per educa handicapped, $600 per phy ped child, and $4,500 pe Local share--Same amount pil as expended for other

NEBRASKA

-69--continued

te Funds for the public schools and for program participation

cent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
E PORTION $2,352,302 (7.3%) 79-3101 to This distribution is for 3/4 of the balance of the Temporary School Fund after the in-lieu-of tax portion has been deducted. Distributed in proportion to the number of children, 5-18 years of age, resident in the district. State funds are not provided and may not be used for pupils enrolled full time in nonprofit private schools or for so-called shared time where pupils may be enrolled in one or more classes but less than half time in a public school.	State share--100 percent of calculated amount. Local share--None. There is no reflection of P.L. 874 receipts in establishing the amounts of State grants.	Requirements for participation--District must have maintained and operated a school during the next preceding year and complied with all laws relating thereto. Take a school census during May or June. County superintendent must verify and submit affidavit of district eligibility. Extent of participation--Estimated 2,100 school districts. Distributed annually, in February.
xpense, $1,719,000 (5.4%) ebraska, secs. .) Distributed to counties in proportion to county population and redistributed within counties in proportion to district ADA.	State share--100 percent of calculated Amount. Amount indicated is 60 percent of half of State revenue from this tax. Local share--None.	Requirements for participation--File a district report on ADA. Extent of participation--Estimated 2,100 school districts. Distributed annually, in May.
ANT $ 784,062 (2.4%) a in 1881) This distribution is for the balance of the Temporary School Fund and is divided equally amont all eligible districts.	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--Same as described for "Census Variable Portion." Extent of participation--Estimated 2,100 school districts. Distributed annually, in February.
$1,102,244 (3.4%) 3-601 4, Cost of necessary special instruction for handicapped children.	State share--Excess cost per pupil of providing necessary special instruction above the per pupil cost for other children. Limited to $300 per educable mentally handicapped, $600 per physically handicapped child, and $4,500 per teaching unit. Local share--Same amount per each such pupil as expended for other pupils.	Requirements for participation--Apply for program approval and financial assistance. Extent of participation--95 school districts Distributed annually on July 1.

NEBRASKA

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for support of the calculated State program allowance	Requirements for an district participa for distributi
TEMPORARY SCHOOL FUND--IN-LIEU-OF SCHOOL LAND TAX PORTION (Revised Statutes of Nebraska, secs. 79-1301 to 79-1308, established in 1881.)		$463,819	(1.4%)		
Current expense, grades K-12.....	Local school tax rate multiplied by value of school endowment land in the district assessed at 50 percent of appraised value. Rate includes levies for special funds such as local land fund and county high school tuition fund.			State share--100 percent of calculated amount. Local share--None, but payment is based on tax rate in effect.	Requirements for pa described for "Cens Extent of participa districts. Distributed annuall
DRIVER EDUCATION FUND (Revised Statutes of Nebraska, secs. 60-409.01 to 60-409.04, established in 1963.)		$ 543,458	(1.7%)		
Driver education.................	Cost of instructional service, including insurance, salaries of teachers, gasoline and oil for operation, maintenance of automobiles, etc.			State share--Not to exceed $30 for each pupil. State funds are derived from all of the receipts from the school or learner's permit fee, $4 from each original probationary license, $1 from each renewal probationary license, and $1.50 for each renewal operator's license fee. Local share-- All costs not covered by the reimbursement.	Requirements for pa scribed course of i a qualified teacher Extent of participa districts. Distributed during ber for previous ye instruction.
VOCATIONAL EDUCATION FUND (Revised Statutes of Nebraska, secs. 79-1419 to 79-1435, established in 1919.)		$ 62,000	(.2%)		
Vocational education............	Amount expended for salaries of vocational education teachers.			State share--Percent of amount expended as funds allow. Federal funds for this program are added to the State amount indicated in making this distribution. Local share--All costs not covered by reimbursement.	Requirements for pa scribed State stand struction and facil Extent of participa tricts. Distributed twice and July.

c schools and for program participation

r school support,	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
63,819 (1.4%)		
multiplied by ment land in the 50 percent of ap- includes levies for local land fund l tuition fund. 543,458 (1.7%)	State share--100 percent of calculated amount. Local share--None, but payment is based on tax rate in effect.	Requirements for participation--Same as described for "Census Variable Portion." Extent of participation--1,000 school districts. Distributed annually in February.
service, includ- es of teachers, pperation, mainte- etc. 62,000 (.2%)	State share--Not to exceed $30 for each pupil. State funds are derived from all of the receipts from the school or learner's permit fee, $4 from each original probationary license, $1 from each renewal probationary license, and $1.50 for each renewal operator's license fee. Local share-- All costs not covered by the reimbursement.	Requirements for participation--Prescribed course of instruction taught by a qualified teacher. Extent of participation--283 school districts. Distributed during September to December for previous year's program of instruction.
alaries of voca- hers.	State share--Percent of amount expended as funds allow. Federal funds for this program are added to the State amount indicated in making this distribution. Local share--All costs not covered by reimbursement.	Requirements for participation--Meet prescribed State standards for program instruction and facilities. Extent of participation--164 school districts. Distributed twice annually, in February and July.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Elected county assessors determine the value of real estate for taxation purposes. Taxpayers may appeal to the county board of equalization for a review of this valuation and may further appeal this decision to the district court. Reappraisals are the responsibility of the county board. Property owned by railroads, pipeline and telephone companies, and other public utilities is valued for tax purposes by the State Board of Equalization.

Personal property is declared and assessed by the taxpayers but the county assessor and the county board of equalization may add omitted property to an assessment schedule and revalue undervalued property. Notice of these changes must be sent to the taxpayer who has the right to protest. Standard values for livestock are determined by the State Tax Commissioner who also provides technical assistance to county assessors in their determination of standards of values for other classes of personal property. County boards of equalization customarily use these standards.

Intermediate districts.--All property which is not in a district offering a high school program is subject to a high school tuition levy. Taxes on such property are levied, as required, without limit or electoral approval. With this exception, a county is not a taxation unit for school support. Fines and license fees provide a small amount of county revenue which accrues to the county school fund for distribution among school districts of the county.

Local districts.--School districts are grouped into 6 separate classifications. These classes are:

I - Districts maintaining only elementary grades.
II - Districts under 1,000 population maintaining elementary and secondary grades.
III - Districts of 1,000 to 50,000 population maintaining elementary and secondary grades.
IV - Districts of 50,000 to 200,000 population maintaining elementary and secondary grades (Lincoln only).
V - Districts of 200,000 or more population maintaining elementary and secondary grades (Omaha only).
VI - Districts which are organized to maintain secondary grades only.

The aggregate school tax levied for general school purposes in all classes of school districts is without restriction, except that in the school districts of Classes I, II, and VI, no levy may be made in excess of 12.0 mills unless the levy has been approved by 55 percent of the electors at the annual meeting of the district. A Class III district may not levy more than 4 mills for capital outlay. Levies for debt service and retirement fund requirements in the Class IV school district may not exceed annual needs, and the aggregate rate in a Class IV district may not exceed the rate necessary to provide the needed sums as budgeted. Site and building fund levies in a Class V school district shall not exceed 4.0 mills, of which 1.5 mills may be credited to the general fund. The teacher retirement fund levy in a Class V school district shall not exceed 2 mills.

Nebraska school districts are fiscally independent. County boards are required to levy and collect taxes in the amounts requested and certified by school authorities.

Provisions for School Indebtedness

Limitations on issuance of bon
neither kind being prohibited or s
clause, there are no statutory lim
Boards of education, subject to th
bonds. Bonds are issued for capit

Limitations on debt.--Bonded i
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issued to fund a floating debt are
edness is 10 percent of the assess

In all districts, bonds for ca
must be approved by 55 percent of
assessed for taxes at the last ass
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by the people.

Approval and sale of bonds.--A
issuance of bonds by the State Aud
the sale of school bonds. School
of 6 percent. All bonds are sold
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may be invested in any security ap
school fund money. The State does
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Bond records, tax levies, and
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The county board of equalizati
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required to certify annually to th
money needed to pay for debt servi
the county board of equalization s
and pay interest according to sche
the bond fund of a school district
due, such bonds and bond coupons s
same manner that a warrant is regi

Current indebtedness.--All sch
payment. Classes III, IV, and V s
to the amount of 70 percent of the
tax income, but if both warrants a
not exceed 100 percent of the unex
warrants may not bear an interest

unty assessors determine the value of real
rs may appeal to the county board of equali-
and may further appeal this decision to the
responsibility of the county board. Prop-
telephone companies, and other public utili-
State Board of Equalization.

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50,000 population maintaining
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200,000 population maintaining
ondary grades (Lincoln only).
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to provide the needed sums as budgeted.
s V school district shall not exceed 4.0
ed to the general fund. The teacher
l district shall not exceed 2 mills.

lly independent. County boards are re-
amounts requested and certified by school

Provisions for School Indebtedness

Limitations on issuance of bonds.--School bonds may be serial or term bonds, neither kind being prohibited or specified by law. Other than a 5-year option clause, there are no statutory limits relative to the term of school bonds. Boards of education, subject to the approval of the electorate, issue school bonds. Bonds are issued for capital outlay purposes and to fund-floating debts.

Limitations on debt.--Bonded indebtedness of Classes I and II school districts may not exceed 40 percent of the assessed value of the district. Bonds issued to fund a floating debt are an exception. The recommended maximum indebtedness is 10 percent of the assessed value of the district.

In all districts, bonds for capital outlay and bonds to fund a floating debt must be approved by 55 percent of the school electorate. Only electors who were assessed for taxes at the last assessment date or have children of school age, and the spouses of such electors, have the right to vote in a school bond election. Refunding bonds may be issued by the board of education without sanction by the people.

Approval and sale of bonds.--Approval and certification of the proposed issuance of bonds by the State Auditor of Public Accounts is a prerequisite to the sale of school bonds. School bonds may not bear an interest rate in excess of 6 percent. All bonds are sold at the discretion of the local board of education. Pending its use for the authorized purpose, income from the sale of bonds may be invested in any security approved by law for the investment of permanent school fund money. The State does not assist with the sale of bonds and bonds do not need to be first offered to a State agency.

Bond records, tax levies, and payments.--All levies for bonds are special levies. The county treasurer is the fiscal agent of the school districts in the payment of bond interest and in the redemption of bonds. Bonds are registered in the office of the county clerk who maintains all bond records.

The county board of equalization is required to authorize levies for debt service. For Classes III, IV, and V school districts, school authorities are required to certify annually to the county board of equalization the amount of money needed to pay for debt service. In Classes I, II, and VI school districts, the county board of equalization shall make the levies necessary to retire bonds and pay interest according to schedule. Whenever there is insufficient money in the bond fund of a school district to retire bonds or pay bond coupons which are due, such bonds and bond coupons shall be registered for future payment in the same manner that a warrant is registered for payment from future income.

Current indebtedness.--All school districts may register warrants for future payment. Classes III, IV, and V school districts may issue notes to borrow money to the amount of 70 percent of the unexpended balance of the current anticipated tax income, but if both warrants and notes are issued, the total amount shall not exceed 100 percent of the unexpended balance of the current levy. Notes and warrants may not bear an interest rate in excess of 6 percent.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms are prescribed by the Commissioner of Education for all but the Classes IV and V districts. Such forms provide for showing the expenditures and revenues received from tax and nontax sources for the next preceding completed fiscal year and show the proposed expenditures for the ensuing fiscal year, including a necessary cash reserve not to exceed 50 percent of the previous year's budget. The school fiscal year runs from July 1 to June 30.

Local approval.--Budgets of Classes I, II, and VI rural high school districts are proposed by the district boards of education and are approved at the annual budget meetings of the districts. Budgets of Classes III, IV, and VI county high school districts, are developed and validated by the district boards of education. On or before July 15, all school districts except Classes IV and V must submit copies of the budget for the operation of the schools during the ensuing fiscal year to the county superintendent and to the county clerk for use by the county board of equalization. On or before August 15, the board of education of Class IV school district must report to the county board the amount of tax revenue necessary for the operation of its school during the ensuing fiscal year.

County boards are required to authorize levies wh
of money required for the operation of Classes I, II
districts, as certified in the budget reports. The
Class V school district determines and specifies the
necessary to finance its budget. County authorities
tion over local school budgets provided all anticipa
has been properly considered.

State review or approval.--State school authoriti
diction over local school district budgets. No copy
filed with a State agency.

Provisions for School Audits

Annual audits of local district financial records
tricts except Class I districts. Audits of Class I
may be demanded by petition of patrons.

he Commissioner of Education
orms provide for showing the
tax sources for the next pre-
expenditures for the ensuing
t to exceed 50 percent of the
s from July 1 to June 30.

VI rural high school districts
d are approved at the annual
ses III, IV, and VI county high
e district boards of education.
lasses IV and V must submit
ls during the ensuing fiscal
clerk for use by the county
board of education of Class
the amount of tax revenue
e ensuing fiscal year.

County boards are required to authorize levies which will raise the amounts of money required for the operation of Classes I, II, III, IV, and VI school districts, as certified in the budget reports. The board of education of a Class V school district determines and specifies the levy in mills which is necessary to finance its budget. County authorities have no revisory jurisdiction over local school budgets provided all anticipated miscellaneous revenue has been properly considered.

State review or approval.--State school authorities have no revisory jurisdiction over local school district budgets. No copy of the budget needs to be filed with a State agency.

Provisions for School Audits

Annual audits of local district financial records are required in all districts except Class I districts. Audits of Class I district finance records may be demanded by petition of patrons.

NEVADA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

NEVADA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Lincoln Liston, Assistant Superintendent for Administration, Nevada State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 42 percent of the nonfederal revenue for elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. Slightly more than 95 percent of the State funds for distribution to the public school districts are provided through legislative appropriation. The balance of less than 5 percent is from the earned income of permanent school endowments and out of State collections of one cent sales tax.
3. One hundred percent of the State money distributed to the public school districts is allocated for the State foundation program through the Distributive School Fund--Regular Portion. Included in the program is an allowance for each ADA at a different rate in each of 17 districts.

LOCAL SUPPORT

1. About 66 percent of the local revenue for the 17 countywide public school districts is obtained from property taxes. The other 34 percent is from motor vehicle taxes, one cent sales tax, rental income, donations, tuition payments, and other miscellaneous sources.
2. School districts are required to levy a 7-mill property tax to qualify for participation in the State foundation program.
3. Each school district may levy an 8-mill tax, based on local assessments, in addition to the required levy for the foundation program. There is no provision requiring electoral approval of this additional levy. As much as 3.5 of the 8 mills may be levied as a building reserve tax if approved by the State Board of Finance.
4. School district indebtedness is limited to 15 percent of the local assessed valuation of taxable property in the district.
5. Tax rates for debt service are levied over and above those for operational support.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requ dis
Total $29,150,000 (100.0%)			
DISTRIBUTIVE SCHOOL FUND--Regular Portion (Sec. 387.125 Nevada School Code as amended in 1967.) $29,150,000 (100.0%)			
Nonrestricted, grades K-12.......	Determine district ADA for best 6 months (a) Kindergarten pupils (.6) (b) Elementary and secondary pupils (1.0) (c) Handicapped pupils (1.0) Multiply total district ADA by the following basic support guarantee per pupil established for each of the several school districts. The product of this calculation equals the guaranteed basic support level for each district: Churchill, $511; Clark, $474; Douglas, $475; Elko, $494; Esmeralda, $1,101; Eureka, $712; Humboldt, $500; Lander, $513; Lincoln, $664; Lyon, $507; Mineral, $514; Nye, $543; Ormsby, $513; Pershing, $517; Storey, $642; Washoe, $477; White Pine, $530.	State share.--The calculated guaranteed basic support level minus the local share. Local share.--(a) A required levy of 70 cents on each $100 value of taxable property within the district. (b) 25 percent of all P.L. 874 funds received by the district. (c) 1 cent local origin school sales tax.	Requi ments schoo Ope Pay I Ren Con t S Pup Sch After be us Pur Rep Exter parti levy found Distr tiona

1968-69

funds for the public schools and for program participation

nt of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . $29,150,000 (100.0%)		
n $29,150,000 (100.0%)		
termine district ADA for best 6 months) Kindergarten pupils (.6)) Elementary and secondary pupils (1.0)) Handicapped pupils (1.0) ltiply total district ADA by the fol- wing basic support guarantee per pupil tablished for each of the several hool districts. The product of this lculation equals the guaranteed basic pport level for each district: urchill, $511; Clark, $474; Douglas, 75; Elko, $494; Esmeralda, $1,101; reka, $712; Humboldt, $500; Lander, 13; Lincoln, $664; Lyon, $507; Mineral, 14; Nye, $543; Ormsby, $513; Pershing, 17; Storey, $642; Washoe, $477; White ne, $530.	State share.--The calculated guaranteed basic support level minus the local share. Local share.--(a) A required levy of 70 cents on each $100 value of taxable property within the district. (b) 25 percent of all P.L. 874 funds received by the district. (c) 1 cent local origin school sales tax.	Requirements for participation.--Apportionments are to be deposited in the county school fund and be used for: Operation of public schools. Payment of premiums for Nevada Industrial Insurance on each employee. Rent of schoolhouses. Construction, furnishing, or rental of teacherages when approved by State Superintendent of Public Instruction. Pupil transportation and bus purchases. School lunches. After meeting the above requirements, may be used for: Purchase of sites for school use. Repair and construct new buildings. Extent of participation.--15 of 17 districts participate. In 2 districts, mandatory tax levy proceeds exceed basic support in the foundation program. Distributed.--Paid quarterly in equal apportionments.

Provisions for Raising School Revenue

Property assessments.--Property valuations are established by elected county assessors. Authority is given the board of county commissioners to equalize assessments within the county. The Division of Assessment Standards of the State Tax Commission conducts assessment ratio studies and develops formulas and standard procedures which are given to the county officials for their use. The State Tax Commission also establishes valuations for assessment purposes for public utilities and acts as a State Board of Equalization.

Intermediate districts.--None.

Local districts.--Each school district must levy a 7-mill tax and may levy an additional 8 mills. There is no provision in the law for electoral approval of the tax rate.

A building reserve tax of not more than 3.5 mills may be levied by a school district, providing it is approved by the State Board of Finance. Such a tax, included within the 8-mill optional tax referred to above, is levied without vote of the people and may not be levied for more than 10 years.

The tax limit of 15 mills applies to local assessments.

Initiating bond issues.--A proposal for the issuance of school bonds is initiated by the school board. Bonds are for the purpose of erecting and furnishing a school building or buildings, purchasing school sites, refunding floating indebtedness, or for any or all of these purposes.

Limitations on issuance of bonds.--All school district bonds must be serial in nature and must not run for more than 20 years. No local agency other than school boards may approve bonds.

Limitations on debt.--County school district bonded indebtedness is limited by statute to 15 percent of the total of the last assessed valuation of taxable property situated within the county, less an amount equal to any total outstanding bonded indebtedness of the school districts abolished in March 1956 whose areas are now within the county school district. Former school districts are maintained as taxing units for the payment of outstanding bonds until the bonds are retired or until the county school district, by vote of the people, assumes the outstanding bonded indebtedness, in which case, the total of indebtedness thus assumed becomes a debt of the county school district. No State executive agency is authorized to approve a higher limit.

Voting requirements.--All registered electors in a county or district may vote on bond issues. Separate ballots are used for property and nonproperty owners. The bond issue must receive a majority vote of both classes of ballots.

Approval and sale of bonds.--No State agency approval is required for the issuance of bonds. Bonds sold on either fixed interest, plus premium or a yield basis, must be sold by sealed bid after advertisement in a newspaper. It is not necessary that bonds first
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ately needed may be invest

Bond records, tax lev
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Short-term indebtedne
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and must be repaid by a sp

Provisions for School Budg

Budget forms.--School
are provided by the State
year begins on July 1 and

Local approval.--Budg
An extension of 2 weeks t
cation is made before Marc
lic hearing on the budget
days notice, published in
tentative budget.

School budgets must b
required to levy the tax
the budget. In this insta
of revenue shown by the bu
required after completion

State review or appro
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in light of assessed valu
amount requested in the bu
within the 50-mill consti
county auditor, State Dep
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Provisions for School Aud

School districts are
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tal of indebtedness thus assumed
No State executive agency is

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ncy approval is required for the
interest, plus premium or a yield
isement in a newspaper. It is not

necessary that bonds first be offered to a State agency. The State does not assist in the sale of bonds. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments.--Taxes for school support, including taxes necessary for debt and interest payments, are levied by county commissioners.The county treasurer and county commissioners handle bond records and payments of bond interest and redemption.

Short-term indebtedness.--School districts are not permitted to borrow in anticipation of current revenue. If a school district can show that an emergency has arisen which could not have been anticipated, the school board can post legal notice of intention to borrow and then request permission from the State Board of Finance. If permission is granted, the district may borrow money on an emergency loan note. Such notes must not run for more than 3 years and must be repaid by a special tax for that purpose.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms, prescribed by the State Tax Commission, are provided by the State Department of Education. The school fiscal and budget year begins on July 1 and ends on June 30, as does the State fiscal year.

Local approval.--Budgets are prepared by local school boards before March 15. An extension of 2 weeks time may be granted by the State Tax Commission if application is made before March 15 giving sufficient reasons for the request. A public hearing on the budget must be held before the completion date and after 10 days notice, published in a newspaper, which notice must contain a copy of the tentative budget.

School budgets must be approved by the State. The county commissioners are required to levy the tax rate requested in the budget unless an error is found in the budget. In this instance, the tax rate may be adjusted to yield the amount of revenue shown by the budget to be needed. No publication of the budget is required after completion.

State review or approval.--Budgets must be filed with the State Tax Commission by April 1. This Commission may not alter budgets except to change levies in light of assessed valuation. The change in the tax levy must not reduce the amount requested in the budget, unless an adjustment is needed to bring all taxes within the 50-mill constitutional limit. Copies of the budget are filed with the county auditor, State Deputy Superintendent of Schools, State Superintendent of Schools, State Tax Commission, and legislative auditor.

Provisions for School Audits

School districts are required to have their books audited annually. The audits must be done by a practicing public accountant. A copy of the audit is filed with the county auditor where it is available for public inspection. All school monies are kept by the county treasurer whose books are audited annually by a practicing public accountant.

NEW HAMPSHIRE
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

NEW HAMPSHIRE PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Paul R. Fillion, Chief of Administration, New Hampshire State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 9 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.

2. The State Foundation Aid Fund, which accounts for 45.7 percent of the amount distributed by the State, assures a foundation support level of $200 per elementary pupil and $300 per high school pupil. These amounts are for current school expense purposes but are not further restricted.

3. School Building Aid accounts for another 29.4 percent of the State school support program. The amount provided pays from 30 to 55 percent of the annual payment on principal for school debt service.

4. Eight other funds account for 14.2 percent of the State money distributed for the public schools. These funds are for administration and supervision, education of deaf children, education of intellectually retarded children, education of emotionally disturbed children, and education of physically handicapped children, area vocational schools, education in unorganized areas, and school district reorganization aid.

5. A Sweepstakes Aid Fund provides an estimated 10.7 percent of all State aid to local districts. This fund is distributed on a resident-pupil basis.

LOCAL SUPPORT

1. An estimated 91 percent of the local tax support for public elementary and secondary schools is derived from property taxes on the assessed valuation of taxable property.

2. Income from sources other than property taxes include receipts from tuition payments, local trust funds, and various miscellaneous sources. There is no local nonproperty tax, as such, which is authorized to be levied for the support of the public schools and there are no county taxes for school support.

3. Local school districts are required to levy a property tax of 14 mills on the equalized valuation of the district in order to qualify for participation in the State Foundation Aid Fund.

4. There is no specified tax rate limit which may be levied when the tax has been properly authorized by popular vote at the annual school district meeting or by city governmental officials in the fiscally dependent cities.

5. Generally, 7 percent debt limit is specified for school purposes. Cooperative districts may incur debt up to a 10 percent limit.

6. Tax levies as necessary for debt services costs are authorized with the debt approval.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			**State and local shares for support the calculated State program allowa**
Total		$ 9,354,296 (100.0%)	
FOUNDATION AID FUND (Ch. 198, Sec. 8-15 Revised Statutes Annotated as amended)		$ 4,275,000 (45.7%)	
Current operating expenses........	The cost of the foundation program is based on the average daily membership (ADM) of pupils residing in the district and attending an approved public school or an approved public academy within or outside the district. Membership statistics used are those for the preceding school year. Allowances for the determination of the total foundation program cost are $200 for each pupil in grades **K-8*** and $300 for each pupil in grades 9-12. From the total allowance is subtracted the amount from a local effort of 14 mills on the equalized taxable valuation of the district. * **K pupils weighted by 0.5**		State share.--A district is eligible receive the amount by which the found program exceeds the local effort con bution. If, however, local tax rece amount to less than the specified 14- effort, State foundation aid is reduc by an amount equal to the difference tween the local effort and the amount ceived from local taxation for school poses. Should the State appropriati this fund amount to less than the to eligibility, the State Board of Educa adjusts the per pupil allowances in ance with the amount available for di bution. Local share.--Local district must le tax of 14 mills on the equalized valu of taxable property.
SCHOOL BUILDING AID FUND (Ch. 198, Sec. 15-a-g, Revised Statutes Annotated as amended)		$ 2,750,000 (29.4%)	
	School districts which have not been reorganized as cooperative districts are entitled to 30 percent of the annual payment on principal. No allowance is made for the payment of interest. Cooperative school districts are entitled to an amount ranging from 40 percent to 55 percent of the annual principal payment depending on the number of preexisting districts which have been combined into the cooperative district. The amount of the principal payment which serves as the basis for the percentage entitlement may be increased by an amount equal to the amount of capital reserve funds and the amount raised by taxation up to the time of the bond issue which was actually expended in the construction or enlargement divided by the number of years for which the notes or bonds were issued.		State share.--The State makes paymen any school district which is making payments to retire serial notes or b providing the State Board of Educati approved the plans, specifications, costs of the school building constru project involved. The project may i a new school building, enlargement o building, or renovation of a buildin results in increased pupil capacity. Local share.--Local share is 100 per of interest costs and the remaining cipal costs.

PUBLIC SCHOOL FINANCE PROGRAM

for the public schools and for program participation

tate funds for school support, ct allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
$ 9,354,296 (100.0%) $ 4,275,000 (45.7%)		
of the foundation program is the average daily membership pupils residing in the district nding an approved public school proved public academy within or he district. Membership sta- used are those for the preceding ear. es for the determination of the ndation program cost are $200 pupil in grades K-8* and $300 pupil in grades 9-12. From the lowance is subtracted the amount cal effort of 14 mills on the taxable valuation of the dis- **ls weighted by 0.5**	State share.--A district is eligible to receive the amount by which the foundation program exceeds the local effort contribution. If, however, local tax receipts amount to less than the specified 14-mill effort, State foundation aid is reduced by an amount equal to the difference between the local effort and the amount received from local taxation for school purposes. Should the State appropriation for this fund amount to less than the total eligibility, the State Board of Education adjusts the per pupil allowances in accordance with the amount available for distribution. Local share.--Local district must levy a tax of 14 mills on the equalized valuation of taxable property.	Requirements for participation.--Must have enough pupils so as not to be termed uneconomical by State Department of Education. Extent of participation.--95 districts participate. Distribution.--Funds must be distributed to local school districts before January 15.
$ 2,750,000 (29.4%)		
istricts which have not been zed as cooperative districts are to 30 percent of the annual on principal. No allowance is the payment of interest. Co- school districts are entitled ount ranging from 40 percent to nt of the annual principal pay- nding on the number of pre- districts which have been com- o the cooperative district. nt of the principal payment rves as the basis for the per- ntitlement may be increased by equal to the amount of capital funds and the amount raised by up to the time of the bond ch was actually expended in the tion or enlargement divided by r of years for which the notes were issued.	State share.--The State makes payments to any school district which is making annual payments to retire serial notes or bonds, providing the State Board of Education has approved the plans, specifications, and costs of the school building construction project involved. The project may involve a new school building, enlargement of a building, or renovation of a building which results in increased pupil capacity. Local share.--Local share is 100 percent of interest costs and the remaining principal costs.	Requirements for participation.--School districts must make a payment on the principal amount outstanding on serial notes or bonds issued to finance an approved new, enlargement, or renovation project of school construction. Extent of participation.--132 school districts participate. Distribution.--Annually in October.

NEW HAMPSHIRE

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requir distr f**
SWEEPSTAKES AID FUND (Ch. 284, Secs. 21a - 21p Revised Statutes Annotated)	**(Est.)** $1,000,000 (10.7%)		
	Distributed on a basis of resident public school pupils in the school district.	State share.--100 percent of funds come from sweepstakes aid. Local share.--None	Requir are no partic tered sion. Extent distri Distri
EDUCATION OF THE DEAF CHILDREN FUND (Ch. 186, Secs. 11 and 13, Revised Statutes Annotated)	$ 292,890 (3.2%)		
	State pays total cost of tuition and maintenance. State bills local district for tuition-liability (amount which is equal to the expenditures per pupil in ADM for State in preceding year).	State share.--Costs of tuition and maintenance minus tuition liability. Local share.--Local share up to the State expenditures per pupil in ADM (tuition liability).	Requir the sc operat State which this Extent approv in New locate Distri and Ma
STATEWIDE SUPERVISION FUND (Ch. 194, Sec. 12, Revised Statutes Annotated)	$ 294,350 (3.2%)		
Supervisory salaries-------------	Supervisory unions determine the actual amount of the salary to be paid to superintendents, assistant superintendents, and teacher consultants. Necessary additional funds are raised from local sources and the difference between the total locally determined salary and the State's share is paid to the State. This procedure provides basic professional leadership for each school district in the State.	State share.--For the purpose of this paragraph the State's share of the annual salary of the superintendent shall be fixed by the State Board of Education so that each of the amounts so fixed shall vary between not less than two thousand five hundred dollars and not over seven thousand five hundred dollars in steps of two hundred fifty dollars in accordance with the ranges of latest equalized valuations per pupil in average daily membership of the several unions found by the State Board of Education to be suitable to give due recognition to the variation in equalized valuations per pupil in average daily membership of the several supervisory	Requi schoo super union each gram Exten union Distr and o by th

NEW HAMPSHIRE

9--continued

e Funds for the public schools and for program participation

ent of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
(Est.) $1,000,000 (10.7%)		
istributed on a basis of resident ublic school pupils in the school dis- rict.	State share.--100 percent of funds come from sweepstakes aid. Local share.--None	Requirements for participation.--There are no requirements for school district participation. The program is administered by the State Sweepstakes Commission. Extent of participation.--All 173 school districts. Distribution.--December 15, of each year.
$ 292,890 (3.2%)		
tate pays total cost of tuition and aintenance. State bills local district or tuition-liability (amount which is qual to the expenditures per pupil in DM for State in preceding year).	State share.--Costs of tuition and maintenance minus tuition liability. Local share.--Local share up to the State expenditures per pupil in ADM (tuition liability).	Requirements for participation.--None of the school districts of New Hampshire operate a school for deaf pupils. The State Department of Education decides which children should be accepted to this program. Extent of participation.--One of the 7 approved schools is operated privately in New Hampshire; the other 6 are located in neighboring States. Distribution.--Twice a year, in January and May.
$ 294,350 (3.2%)		
upervisory unions determine the actual mount of the salary to be paid to uperintendents, assistant superintend- nts, and teacher consultants. ecessary additional funds are raised rom local sources and the difference etween the total locally determined alary and the State's share is paid to he State. This procedure provides asic professional leadership for each chool district in the State.	State share.--For the purpose of this paragraph the State's share of the annual salary of the superintendent shall be fixed by the State Board of Education so that each of the amounts so fixed shall vary between not less than two thousand five hundred dollars and not over seven thousand five hundred dollars in steps of two hundred fifty dollars in accordance with the ranges of latest equalized valuations per pupil in average daily membership of the several unions found by the State Board of Education to be suitable to give due recognition to the variation in equalized valuations per pupil in average daily membership of the several supervisory	Requirements for participation.--All school districts are included in the 42 supervisory unions. Each supervisory union has a superintendent who administers each school district's educational program within his union. Extent of participation.--42 supervisory unions. Distribution.--Pay checks distributed to and other supervisory personnel employed by the 42 supervisory unions.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for s the calculated State program
STATEWIDE SUPERVISORY FUND--continued	unions to the end that the Stat will vary inversely with the fi resources of the supervisory un measured by their equalized val pupil in average daily membersh State's share of the annual sal any assistant superintendent, t sultant or business administrat fixed by the State Board of Edu uniform rate for each such pers ceeding $5,000 per year. Local share.--School districts to transfer $2 per pupil reside enrolled in the schools from th school district treasury to the Treasury
INTELLECTUALLY RETARDED CHILDREN FUND $ 150,000 (1.6%) (Ch. 186-A, Sec. 2, Ch. 186: Secs. 41-50 Revised Statutes Annotated) State reimburses local district for costs above State average expenditures per pupil in ADM.	State share.--If State appropr sufficient amount prorated. Local share.--Pays up to State tuition liability.
PHYSICALLY HANDICAPPED CHILDREN FUND $ 59,100 (.6%) (Ch. 186-A, Sec. 2 Revised Statutes Annotated) Approved cost of program shared by local district and State. Also reimbursement of 50 percent for certain items such as hourly wages of homebound teacher, home-school telephone, special instructional materials or special services.	State share.--State pays cost average expenditure per child Also, 50 percent reimbursement bound. Local share.--District pays co gram up to the State average e per child in ADM in regular pr
AREA VOCATIONAL SCHOOLS' FUND $50,000 (.5%) (Ch. 188, Secs. 8 and 9, Revised Annotated) This fund is used to pay all or a large part of the cost of tuition and transportation for pupils who reside in other districts which maintain high schools and who wish to enroll in one of the vocational programs. If a pupil lives in a district which does not maintain a high school, this fund is used to pay transportation plus any part of his tuition, to one of the 6 area vocational	State share.--100 percent of a Local share.--All excess costs

PUBLIC SCHOOL FINANCE PROGRAM

68-69--continued

nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 150,000 (1.6%)	unions to the end that the State's share will vary inversely with the financial resources of the supervisory unions as measured by their equalized valuations per pupil in average daily membership. The State's share of the annual salaries of any assistant superintendent, teacher consultant or business administrator shall be fixed by the State Board of Education at a uniform rate for each such person not exceeding $5,000 per year. Local share.--School districts are required to transfer $2 per pupil resident child enrolled in the schools from the local school district treasury to the State Treasury	Requirements for participation.--All school districts are included in the 42 Supervisory Unions. Each Supervisory Union has a superintendent who administers each school district's educational program within his Union. Extent of participation.--42 Supervisory Unions. Distribution.--Pay checks distributed to superintendents and other supervisory personnel employed by the 42 Supervisory Unions.
reimburses local district for above State average expenditures upil in ADM. $ 59,100 (.6%)	State share.--If State appropriation is not sufficient amount prorated. Local share.--Pays up to State average or tuition liability.	Requirements for participation.--School districts must operate approved classes or pay tuition for education of "intellectually handicapped" child. Extent of participation --108 school districts. Distribution --Annually.
ved cost of program shared by local ict and State. Also reimbursement percent for certain items such as y wages of homebound teacher, home- l telephone, special instructional ials or special services. $50,000 (.5%)	State share.--State pays cost above State average expenditure per child in ADM. Also, 50 percent reimbursement for homebound. Local share.--District pays cost of program up to the State average expenditure per child in ADM in regular program.	Requirements for participation.--School district must operate approved school program and/or furnish teachers for homebound instruction or pay tuition to an approved school for "physically handicapped."
fund is used to pay all or a large of the cost of tuition and trans- tion for pupils who reside in other icts which maintain high schools ho wish to enroll in one of the ional programs. If a pupil lives district which does not maintain n school, this fund is used to pay portation plus any part of his tui- to one of the 6 area vocational	State share.--100 percent of approved costs. Local share.--All excess costs.	Requirements for participation.--Schools must employ qualified vocational teachers, meet other requirements prescribed by the State, and submit applications for payment.

NEW HAMPSHIRE

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Require distri fo
AREA VOCATIONAL SCHOOLS' FUND--continued	schools which offer comprehensive vocational training programs or to the 2 extension high schools offering work only in vocational agriculture.		
EDUCATION IN UNORGANIZED AREAS (Ch. 186, Sec. 11, Revised Statutes Annotated)	$ 12,956 (.1%) Payments are made upon receipt and approval of certified order to pay the cost of tuition and board or transportation for pupils in grades 1-12 attending an approved public elementary or high school who reside in an area which is not organized as a school district. Provision is made for the education of all the children residing in the unorganized towns, the unincorporated places, and the towns where by act of the legislature the school districts have been abolished by establishing standard elementary schools in such towns or places or by furnishing tuition and board or tuition and transportation at some approved public elementary or high school in another district.	State share.--100 percent of certified expenses for children in "unorganized" areas Local share.-- Property in the unorganized areas is taxed by the State Tax Commission to raise an amount certified by the Department of Education as necessary for the education of children in these areas.	Requirem Board o mentary ganized' board o pils to The Stat furnish sides i approve Distribu
EMOTIONALLY DISTURBED CHILDREN FUND (Ch. 186-A, Sec. 2, Revised Statutes Annotated)	$ 20,000 (.2%) State pays cost of program and local district reimburses State.	State share.--100 percent of approved amount. If State appropriation is not sufficient, the amount is prorated. Local share.--District pays local share equal to State average (or tuition liability).	Require must at State B Extent having Distrib
SCHOOL DISTRICT REORGANIZATION AID (Ch. 195-A: 10-11 and 198:18 Revised Statutes Annotated	$ 450,000 (4.8%) In an AREA complex the State shall pay annually to each receiving district sums according to the following schedule: For each pupil in ADM from a sending district $45 in an area elementary school, $60 in an area junior high school, and $75 in an area high school. For each pupil from a pre-existing district who attends a cooperative school located in another pre-existing district the State shall pay annually an amount in accordance with the same schedule used for AREA aid.	State share.--100 percent of amount. If State appropriation is not sufficient, aid to an AREA school and a Cooperative School District shall be prorated. Local share.--None.	Require an auth Coopera Extent tricts. Distrib

he public schools and for program participation

funds for school support, llowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
offer comprehensive voca- g programs or to the 2 schools offering work onal agriculture. $ 12,956 (.1%)		
ade upon receipt and ap- ified order to pay the n and board or transporta- s in grades 1-12 attend- d public elementary or o reside in an area which ed as a school district. ade for the education of en residing in the unor- the unincorporated e towns where by act of e the school districts ished by establishing ntary schools in such s or by furnishing tuition uition and transportation ed public elementary or another district.	State share.--100 percent of certified expenses for children in "unorganized" areas Local share.-- Property in the unorganized areas is taxed by the State Tax Commission to raise an amount certified by the Department of Education as necessary for the education of children in these areas.	Requirements for participation.--The State Board of Education must establish an elementary school in any municipality "unorganized" area, or must furnish tuition and board or transportation for elementary pupils to such areas to a school elsewhere. The State Board of Education must also furnish the tuition of any child who resides in such areas and who attends an approved high school. Distribution.--Twice a year.
$ 20,000 (.2%) t of program and local urses State. $ 450,000 (4.8%)	State share.--100 percent of approved amount. If State appropriation is not sufficient, the amount is prorated. Local share.--District pays local share equal to State average (or tuition liability).	Requirements for participation.--Pupils must attend a program approved by the State Board of Education. Extent of participation.--Any district having emotionally disturbed children. Distribution.--Annually.
plex the State shall pay ch receiving district sums he following schedule: For ADM from a sending district elementary school, $60 in high school, and $75 in school. from a pre-existing dis- nds a cooperative school ther pre-existing district l pay annually an amount with the same schedule aid.	State share.--100 percent of amount. If State appropriation is not sufficient, aid to an AREA school and a Cooperative School District shall be prorated. Local share.--None.	Requirements for participation.--Must be an authorized AREA school or an operating Cooperative School District. Extent of participation.--28 school districts. Distribution.--Annually.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations for taxable purposes are **established** by local assessors **who** are supervised by State officials. These assessments are used in the local district as the basis for taxing **real** property. In most communities, the assessments are made by the elected town selectmen while in a few large communities trained assessors are employed. County officials do not have authority to change the assessments.

The State Tax Commission establishes biennially both "assessed valuations as equalized" and "equalized valuations." The assessed valuation as equalized represents the result of adding to the local assessed valuation an amount which will bring that taxable valuation into line with present full market values. The assessed valuation as equalized is used exclusively as the basis for determining limits on local borrowing power for long-term debt.

The equalized valuation represents the result of adding to the assessed valuation as equalized the value of national bank stock and the value of the three items of local wealth on which taxes are raised at the State level and returned to the communities. These three items are interest and dividends; deposits in savings banks; and railroad stock, right-of-way, and buildings.

Equalized valuations are used in several school and nonschool computations, including the distribution of certain State funds for education.

Intermediate districts.--None.

Local districts.--Most of the local source funds of school districts are derived from property taxes or from trust funds. There are no upper limits set by law for these tax levies. They must be, however, approved by popular vote at the annual school district meeting. **In 9 of the 13 cities of New Hampshire** the schools are fiscally dependent upon city governmental officials, and the people do not vote directly upon the budget.

The major part of the income derived from sources other than the property tax is derived from the transfer of funds from other school districts through payment of tuition. There is also tuition income from private sources and from public and private sources outside of the State of New Hampshire. Local revenue from local trust funds established for public schools also provide some revenue.

In unorganized territory, the levy for school purposes is assessed by the Tax Commission in an amount certified by the Department of Education.

Provisions for School Indebtedness

Initiating bond issues.--A bond issue may be initiated by the school board, by a petition signed by ten legally qualified voters of the district, or by a petition signed by one-sixth of such voters. School bonds may be issued only for capital outlay purposes.

Limitations on issuance of bonds.--School bonds must be serial bonds. They may be issued for a maximum of 30 years.

Limitations on debt.--Bonds may not be issued by a school district to an amount exceeding **7 percent of the assessed valuation as equalized. This** maximum is **set by** statute. Cooperative **districts** are limited to an amount not to exceed **10 percent of the assessed valuation as equalized for the preexisting** districts.

Voting requirements.--Bonds may not
except in nine cities where bonds may b
Where a popular vote is required, the is
school district meeting. For school bon
vote of two-thirds of the qualified ele
jority of all legal voters of the distri

Approval and sale of bonds.--No fur
sary for the issuance of school bonds.
Bonds need not be offered first to any S
assist with the sale. There is no legal
the investment of funds from the sale of

Bond records, tax levies, and payme
tirement of bonds and the payment of int
authorized for general school purposes.
for payments on debt service. Specific
trict treasurer.

Short-term indebtedness.--School bo
indebtedness, either long-term or short-
ses of operation. When authorized by th
district, meeting, the town selectmen m
cal tax income and may turn that money
the current assessment or as an advance

BUDGETS

Provisions for School Budgets

Budget forms.--School budget forms
scribed by the State Tax Commission and
addition, the State Tax Commission pres
law, must be used in those communities
Municipal Budget Law.

The fiscal year of independent sch
June 30. The fiscal years in the nine
differ from this and are set, in each c

Local approval.--Local school offi
paring school budgets. Budgets except
submitted directly to the voters for ap
meeting. This meeting must be held bet
start of the fiscal year for which the
dependent city school systems, the scho
may be modified by the city council. N
In the districts operating under the Mu
pared by a committee representing the t
may not be increased by more than 10 per
school district at the annual meeting.

School districts of the State ope
are required to print the proposed scho
separately distributed or published new
least one week before the school distri

ns for taxable purposes are estab-
by State officials. These assess-
asis for taxing real property. In
the elected town selectmen while
are employed. County officials do

nnially both "assessed valuations
e assessed valuation as equalized
assessed valuation an amount which
ith present full market values.
xclusively as the basis for deter-
ng-term debt.

esult of adding to the assessed
bank stock and the value of the
e raised at the State level and re-
are 'nterest and dividends; depos-
ht-of-way, and buildings.

school and nonschool computations,
unds for education.

ce funds of school districts are
ds. There are no upper limits
e, however, approved by popular vote
of the 13 cities of New Hampshire
governmental officials, and the

m sources other than the property
m other school districts through pe -
e from private sources and fr ub-
of New Hampshire. Local revenue from
ols also provide some revenue.

chool purposes is assessed by the Tax
rtment of Education.

y be initiated by the school board,
voters of the district, or by a
School bonds may be issued only

l bonds must be serial bonds. They

ssued by a school district to an
luation as equalized. This
icts are limited to an amount not to
s equalized for the preexisting

Voting requirements.--Bonds may not be issued without a vote of the people, except in nine cities where bonds may be issued by vote of the city council. Where a popular vote is required, the issue is presented at an annual or special school district meeting. For school bond issues to be approved, a favorable vote of two-thirds of the qualified electors participating is necessary. A majority of all legal voters of the districts must vote in any special meeting.

Approval and sale of bonds.--No further State or local approval is necessary for the issuance of school bonds. A fixed rate of interest is required. Bonds need not be offered first to any State agency and the State does not assist with the sale. There is no legal authorization or prohibition to allow the investment of funds from the sale of bonds not immediately needed.

Bond records, tax levies, and payments.--Tax levies necessary for the retirement of bonds and the payment of interest are included as part of those authorized for general school purposes. The local school board is responsible for payments on debt service. Specific records must be kept by the school district treasurer.

Short-term indebtedness.--School boards are not authorized to incur any indebtedness, either long-term or short-term, for the payment of current expenses of operation. When authorized by the voters at the annual town, not school district, meeting, the town selectmen may borrow money in anticipation of local tax income and may turn that money over to the school board on account of the current assessment or as an advance on the next year's assessment.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms for all local school districts are prescribed by the State Tax Commission and distributed for local use. In addition, the State Tax Commission prescribes a similar budget form which, by law, must be used in those communities which have adopted the provisions of the Municipal Budget Law.

The fiscal year of independent school districts begins July 1 and ends June 30. The fiscal years in the nine fiscally dependent city school systems differ from this and are set, in each case, by city charter.

Local approval.--Local school officials have full responsibility for preparing school budgets. Budgets except in fiscally dependent districts must be submitted directly to the voters for approval at the annual school district meeting. This meeting must be held between March 1 and April 20 prior to the start of the fiscal year for which the budget is presented. In the nine fiscally dependent city school systems, the school board's budget must be approved and may be modified by the city council. No other approval or action is required. In the districts operating under the Municipal Budget Law, the budget is prepared by a committee representing the town and the school board. This budget may not be increased by more than 10 percent by any action taken by the local school district at the annual meeting.

School districts of the State operating under the Municipal Budget Law are required to print the proposed school budget in the town report or in a separately distributed or published newspaper circulated in the town, at least one week before the school district meeting. School boards in the

Local approval--continued

school districts not operating under the Municipal Budget Law are required to print their budget in the town report or in a separate school district report. While it is understood that these reports are to become available to the community prior to the school district meeting, there is no legal requirement that this be done.

State review or approval.--For the school districts operating under the Municipal Budget Law, a copy of the completed and voted budget for schools must be filed with the State Tax Commission. This agency has no approval power beyond determining that the budget conforms with all statutory requirements. By regulation based upon broad statutory provisions, a copy of the final budget for every school district in the State must be submitted to the State Department of Education. Here, too, no ap
mining that the budget conforms with all
to be filed with the State Tax Commissio
tion as soon as possible after the close

Provisions for School Audits

Annual school audits must be made in
auditors are chosen at the annual meetin
this, the voters of the district may cho
the State Tax Commission. When this cho
to the State for the actual cost to the
A certificate that the auditors have app
annually with the State Department of Ed

he Municipal Budget Law are required to
or in a separate school district report.
rts are to become available to the com-
eting, there is no legal requirement

e school districts operating under the
mpleted and voted budget for schools
ssion. This agency has no approval power
forms with all statutory requirements.
ry provisions, a copy of the final bud-
tate must be submitted to the State Department of Education. Here, too, no approval action is involved beyond determining that the budget conforms with all statutory requirements. Budgets are to be filed with the State Tax Commission and the State Department of Education as soon as possible after the close of the fiscal year on June 30.

Provisions for School Audits

Annual school audits must be made in all districts. One or more local school auditors are chosen at the annual meeting of the school district. In lieu of this, the voters of the district may choose to request that the audit be made by the State Tax Commission. When this choice is made, the district becomes liable to the State for the actual cost to the State Tax Commission of making the audit. A certificate that the auditors have approved the district records must be filed annually with the State Department of Education and the State Tax Commission.

NEW JERSEY

PUBLIC SCHOOL FINANCE PROGRAM, 1966-67

NEW JERSEY PUBLIC SCHOOL FINANCE PROGRAM, 1966-67, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Edward W. Kilpatrick, Assistant Commissioner of Education, New Jersey State Department of Education served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 29 percent of the non-Federal revenue for local elementary and secondary schools, including only State, county, and local revenue receipts, is provided by the State.

2. The principal State fund for school support, the Minimum Aid Fund, accounts for 43.5 percent of the amounts distributed. The fund provided $75 per resident pupil; $100 in county vocational schools.

3. The State contribution to the Teachers' Pension and Annuity Fund represents another 25 percent of the State support program.

4. Three other State distributions, the Equalization Aid Fund, School Building Aid Fund, and Transportation Fund, account for 48.8 percent of the State support program. The Equalization Aid Fund provides for a $400 per pupil current expenditure foundation support level, the School Building Aid Fund provides a capital foundation program of $45 per pupil, and the Transportation Fund provides 75 percent of the approved cost of pupil transportation.

5. Another 13 State funds account for the 7.7 percent of the State support program. Purposes of these distributions include support for atypical pupils; high population areas, maladjusted pupils; vocational and technical education in day and evening schools, helping teachers, attendance officers, and supervisors of child study, county superintendents' salaries; adult education; aid to needy districts; education of institutionalized children and State wards; foreign-born; operation of industrial schools; County Audio-Visual Aid Centers; and pupils resident on State-owned property.

LOCAL SUPPORT

1. For all practical purposes, all of the county and local revenue for public support is provided from property taxes. About 1.3 percent of the local revenue is from miscellaneous sources other than property taxes.

2. Intermediate district property taxes account for less than one-tenth of 1 percent of the income from the property tax base.

3. Intermediate district revenue is from countywide property taxes levied for the county superintendents' office expenses.

4. Local school districts are required to levy a tax of at least 10½ mills on the equalized full property valuation or to expend $400 per pupil in current expenses in order to participate in the Minimum and Equalization Aid Funds.

5. There is no specified tax rate limit for local school district support.

6. Debt limits, based on equalized full valuation of real property are from 1½ to 4 percent of such valuation, depending on the grade levels of instruction operated by the school district. Also, unused portions of the 3½ percent municipality debt limit may be used for school purposes where boundaries are coterminous and where proper approval has been obtained.

7. Taxes, as necessary, are authorized and required for debt service payment and are in addition to other authorized taxes.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT. 1966-67

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
Total	$222,082,729 (100.0%)	
MINIMUM AID FUND (Title 18-10-29. 34, NJSA)	$ 96,609,325 (43.5%)	
Used for current expenses but not for capital outlay and debt service.....................	Calculation was made using the resident pupils on the roll the last day of September. Each district receives $75 per resident pupil in grades, K-12, except full-time county vocational schools which receive $100 per pupil.	State share.--100 percent of calculated amount. Local share.--The district must levy taxes in an amount to yield no less than the local fair share exclusive of debt service and capital outlay taxing requirements; or the district must expend at least $400.00 per pupil for current expense, exclusive of transportation.
EQUALIZATION AID FUND (Title 18: 10-29.34, NJSA)	$ 66,901,825 (30.1%)	
	Compute the amount to be obtained from the foundation program by multiplying each resident pupil in grades K-12 by $400. County vocational schools receive the average equalization aid per pupil of all the other districts in the county.	State share.--Amount represents the difference between the foundation program and the sum of the Minimum Aid Fund plus the required local levy. Local share.--Local fair share is 10½ mills on the full-equalized value of property which is adjusted for pupils whose parents live and work on Federal property.
SCHOOL BUILDING AID FUND (Title 18: 10-29.50 et seq, NJSA)	$ 28,363,709 (12.8%)	
	The capital foundation program for the year is the sum of the amounts appropriated for debt service, capital outlay, and net addition to the capital reserve fund not to exceed $45 per pupil in resident enrollment.	State share.--Aid payable to the district is the difference between the $45 per pupil and the amount raised per resident pupil from a local fair share of .75-mill tax levied on equalized valuation of property, adjusted for federally connected pupils. Local share.--The local districts must allocate annually to the debt service, capital outlay, or the capital reserve fund the revenue from the .75-mill levy. District receives nothing if local levy raises more than $45 per pupil.

6-67
State Funds for the public schools and for program participation

ercent of State funds for school support, n of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . . $222,082,729 (100.0%)		
$ 96,609,325 (43.5%) Calculation was made using the resident pupils on the roll the last day of September. Each district receives $75 per resident pupil in grades, K-12, except full-time county vocational schools which receive $100 per pupil.	State share.--100 percent of calculated amount. Local share.--The district must levy taxes in an amount to yield no less than the local fair share exclusive of debt service and capital outlay taxing requirements; or the district must expend at least $400.00 per pupil for current expense, exclusive of transportation.	Requirements for participation.--Provide public school facilities for at least 180 days. Conform to all rules and regulations formulated by State Commissioner of Education or the State Board of Education. Extent of participation.--All 583 school districts. Distribution.--4 equal installments, October 1, December 1, March 1, and May 1.
$ 66,901,825 (30.1%) Compute the amount to be obtained from the foundation program by multiplying each resident pupil in grades K-12 by $400. County vocational schools receive the average equalization aid per pupil of all the other districts in the county.	State share.--Amount represents the difference between the foundation program and the sum of the Minimum Aid Fund plus the required local levy. Local share.--Local fair share is $10\frac{1}{2}$ mills on the full-equalized value of property which is adjusted for pupils whose parents live and work on Federal property.	Requirements for participation.--Same as Minimum Aid Fund. Extent of participation.--325 school districts. Distribution.--4 equal installments (same as Minimum Aid Fund)
$ 28,363,709 (12.8%) The capital foundation program for the year is the sum of the amounts appropriated for debt service, capital outlay, and net addition to the capital reserve fund not to exceed $45 per pupil in resident enrollment.	State share.--Aid payable to the district is the difference between the $45 per pupil and the amount raised per resident pupil from a local fair share of .75-mill tax levied on equalized valuation of property, adjusted for federally connected pupils. Local share.--The local districts must allocate annually to the debt service, capital outlay, or the capital reserve fund, the revenue from the .75-mill levy. District receives nothing if local levy raises more than $45 per pupil.	Requirements for participation.--Same as Minimum Aid Fund. In addition, districts must maintain acceptable school building facilities which have been or hereafter are prescribed by law, Commissioner of Education, or State Board of Education. Also must budget in a year more than the amount of a .75-mill levy yield in order to receive State funds. (See State and Local Share). Extent of participation.--540 school districts. Distribution.--Monies are distributed or placed on deposit with the State Treasurer to the credit of local districts in 2 equal installments; November 1 and May 1.

STATE SUPPORT, 1966-67--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support of the calculated State program allowance**
TRANSPORTATION FUND (Title 18: 10-29.36, NJSA) $ 13,146,194 (5.9%) Transportation for children in grades K-12 is 75 percent of the approved cost.	State share.--100 percent of calculated amount (75 percent of approved cost). Local share.--25 percent of approved cost.
ATYPICAL PUPILS' FUND (Title 18: 10-29.35, NJSA) $ 5,245,562 (2.4%) For each approved class the district receives $2,000, half the amount by which the tuition charged exceeds $400 for sending a pupil to an approved special class, and half the cost of providing individual or supplementary instruction.	State share.--100 percent of the calculated amount. Local share.--None
LARGE CITIES FUND (Title 18: 10-29.35(c), NJSA) $ 5,025,807 (2.3%) District receives in addition to all other aid, $27 per resident pupil.	State share.--100 percent of calculated amount. Local share.--None

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-67--continued

of State Funds for the public schools and for program participation

nd percent of State funds for school support, ation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 13,146,194 (5.9%)		
Transportation for children in grades K-12 is 75 percent of the approved cost.	State share.--100 percent of calculated amount (75 percent of approved cost). Local share.--25 percent of approved cost.	Requirements for participation.--Same as Minimum Aid Fund except the district must be providing transportation for which the necessity, the cost, and the method has been approved by the county superintendent of schools. Extent of participation.--560 school districts. Distribution.--4 equal installments; October 1, December 1, March 1, and May 1.
$ 5,245,562 (2.4%)		
For each approved class the district receives $2,000, half the amount by which the tuition charged exceeds $400 for sending a pupil to an approved special class, and half the cost of providing individual or supplementary instruction.	State share.--100 percent of the calculated amount. Local share.--None	Requirements for participation.--School district may provide special classes for physically handicapped or mentally retarded children, if approved by State Board of Education, or send pupils to an approved special class in another district. Provision is made for individual home or school instruction if there are too few children to establish a class. Extent of participation.--550 school districts. Distribution.--4 equal installments (Same as Minimum Aid Fund).
$ 5,025,807 (2.3%)		
District receives in addition to all other aid, $27 per resident pupil.	State share.--100 percent of calculated amount. Local share.--None	Requirements for participation.--Same as Minimum Aid Fund, but the municipality must have a population of 100,000 or more according to the latest Federal census. Extent of participation.--6 school districts. Distribution.--4 equal installments (Same as Minimum Aid Fund).

STATE SUPPORT, 1966-67--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for a district particip for distribut
MALADJUSTED PUPIL AID FUND (Title 18: 10-29.35, NJSA) $ 3,197,451 (1.4%) Reimbursement for ½ the cost of service of approved psychiatrists, psychologists, social workers, remedial specialist and other personnel for emotionally and socially maladjusted pupils, and the approved tuition paid for such services.	State share.--100 percent of calculated amount. Local share.--None	Requirements for p grams for emotiona adjusted pupils mu vice standards se approved by the St Extent of particip districts. Distribution.-- Re in addition to oth installments.
VOCATIONAL EDUCATION FUND (Title 18: 10-29.35 f, NJSA) $ 2,000,000 (.9%) Amount added to local contribution to insure maximum entitlement of Federal funds.	State share.--Amount sufficient to supplement local contribution to match Federal funds. Local share.--Local share to meet matching requirements for Federal funds.	Requirements for p must provide a Vo gram which meets Vocational Educat State plan for vo Extent of partici districts. Distribution.--Pa quarter of school
VOCATIONAL EVENING SCHOOL FUND (Title 18: 15-37, NJSA) $ 435,550 (.2%) State provides $1 for each $1 raised locally up to a maximum of $10,000 per school.	State share.--Matching amount up to $10,000 per school. Local share.--Dollar for dollar up to $10,000 per school, above this all is local share.	Requirements for must provide cour prescribed by the establish part-ti schools upon the Board of Educatio tional schools an schools participa Extent of partici districts. Distribution.--P quarter of school

lic schools and for program participation

or school support, s	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
,197,451 (1.4%)		
the cost of service rists, psycholo- s, remedial special- nel for emotionally sted pupils, and the for such services.	State share.--100 percent of calculated amount. Local share.--None	Requirements for participation.--Programs for emotionally and socially maladjusted pupils must meet minimal service standards set forth in rules approved by the State Board of Education. Extent of participation.--173 school districts. Distribution.-- Reimbursement distributed in addition to other funds of 4 equal installments.
,000,000 (.9%)		
l contribution to lement of Federal	State share.--Amount sufficient to supplement local contribution to match Federal funds. Local share.--Local share to meet matching requirements for Federal funds.	Requirements for participation.--District must provide a Vocational Education program which meets the requirements of the Vocational Education Act of 1963 and the State plan for vocational education. Extent of participation.--17 school districts. Distribution.--Paid during second quarter of school year.
435,550 (.2%)		
r each $1 raised num of $10,000 per	State share.--Matching amount up to $10,000 per school. Local share.--Dollar for dollar up to $10,000 per school, above this all is local share.	Requirements for participation.--Districts must provide courses and meet standards prescribed by the State. Counties may establish part-time county vocational schools upon the approval of the State Board of Education. Both evening vocational schools and part-time county schools participate on this basis. Extent of participation.--34 school districts. Distribution.--Paid during second quarter of school year.

STATE SUPPORT, 1966-67--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for support o the calculated State program allowanc**
SALARIES OF COUNTY SUPERINTENDENTS' FUND (Title 18: 4-1, NJSA) $ 374,096 (.2%) A county superintendent is appointed for a term of 3 years at a salary of $14,590 with an annual increase of $730. The maximum salary is $18,970.	State share.--100 percent of salary amount. Local share.--None
ADULT EDUCATION FUND (Title 18: 15-116, NJSA) $ 260,825 (.1%) 2/3 salary of approved Supervisor.	State share.--100 percent of calculate amount up to $12,000. Local share.--1/3 salary of Supervisor.
EMERGENCY AID FUND (Title 18: 10-29.40, NJSA) $ 175,000 (.1%) State Commissioner of Education with approval of State Board of Education may distribute funds to meet unforeseeable conditions.	State share.--100 percent of approved amount. Local share.--None
TECHNICAL EDUCATION FUND (Title 18: 10-29.35f, NJSA) $ 100,000 (-) Supplements local appropriations to match Federal funds on area technical programs. (George Barden Act, Title III)	State share.--100 percent of approved amount. Local share.--Amount sufficient for ma ing Federal funds.

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r the public schools and for program participation

te funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 374,096 (.2%)		
perintendent is appointed of 3 **years** at a salary of h an annual increase of maximum salary is $18,970.	State share.--100 percent of salary amount. Local share.--None	Requirements for participation.--Each county superintendent must be appointed by the State Commissioner of Education with the approval of the State Board of Education. Extent of participation.--21 counties. Distribution.--Salaries of all county superintendents are paid bi-weekly on the State Department of Education payroll.
$ 260,825 (.1%)		
of approved Supervisor.	State share.--100 percent of calculated amount up to $12,000. Local share.--1/3 salary of Supervisor.	Requirements for participation.--District must employ a full-or part-time supervisor of Adult Education. Supervisor abide by rules and regulations established by State Board of Education. Extent of participation.--30 districts. Distribution.--Annually
$ 175,000 (.1%)		
ssioner of Education with State Board of Education oute funds to meet unforesee- ions.	State share.--100 percent of approved amount. Local share.--None	Requirements for participation.--Same as Minimum Aid Fund. Extent of participation.--16 school districts. Distribution.--When unforeseeable conditions occur.
$ 100,000 (-)		
s local appropriations to ral funds on area technical rden Act, Title III)	State share.--100 percent of approved amount. Local share.--Amount sufficient for matching Federal funds.	Requirements for participation.--Districts must provide programs designed for the training of highly skilled technicians as prescribed in the State plan. Extent of participation.--14 school districts. Distribution.--Paid during second quarter of school year.

STATE SUPPORT, 1966-67--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Require distri fo
EVENING SCHOOL FOREIGN-BORN FUND (Title 18: 15-98, NJSA) $ 82,385 (-) Dollar for dollar matching up to a maximum $5,000 per district.	State share.--100 percent of approved amount. Local share.--Matching up to maximum of $5,000, over this amount all local.	Require tricts standar Student 14 year Extent tricts. Distril quarter
INDUSTRIAL EDUCATION FUND (Title 18: 15-24, NJSA) $ 80,000 (-) State pays an amount equal to that raised locally not to exceed $30,000.	State share.--100 percent of approved amount. Local share.--Raise a sum of not less than $3,000 from voluntary subscriptions or otherwise. **Certify to Governor that this sum has been raised.**	Require of not uted ei citizen of a sc Extent tricts. Distrib of scho
COUNTY AUDIO-VISUAL AIDS CENTERS' FUND (Title 18: 12A-9, NJSA) $ 50,000 (-) State provides matching funds from a $500 minimum to a $2,500 maximum raised locally by donation or assessment. The assessment to a participating district shall not exceed 60 cents per pupil in average daily enrollment.	State share.--100 percent of approved amount. Local share.--Raise a sum of $500 and provide matching funds to $2,500, all local above $2,500.	Require of Educ establi Managem members educati profess member, be one; among c Extent county distric Distrib of sch

blic schools and for program participation

for school support, ces	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
82,385 (-)		
atching up to a max- trict.	State share.--100 percent of approved amount. Local share.--Matching up to maximum of $5,000, over this amount all local.	Requirements for participation.--Districts must provide courses and meet standards prescribed by the State. **Students** must be foreign-born and over 14 years of age. Extent of participation.--32 school districts. Distribution.--Paid during second quarter of school year.
80,000 (-)		
t equal to that to exceed $30,000.	State share.--100 percent of approved amount. Local share.--Raise a sum of not less than $3,000 from voluntary subscriptions or otherwise. **Certify to Governor** that this sum has been raised.	Requirements for participation.--A sum of not less than $3,000 must be contributed either by voluntary subscriptions of citizens or otherwise, for the operation of a school in industrial education. Extent of participation.--3 school districts. Distribution.--Paid during second quarter of school year.
50,000 (-)		
ching funds from a $2,500 maximum raised or assessment. The rticipating district cents per pupil in llment.	State share.--100 percent of approved amount. Local share.--Raise a sum of $500 and provide matching funds to $2,500, all local above $2,500.	Requirements for participation.--Boards of Education of 2 or more districts may establish a county center. Management is vested in a commission, 3 members from participating boards of education, 3 members elected from the professional staffs and 1 ex officio member, the county librarian, if there be one; if not, then one is elected from among county librarians. Extent of participation.--There are 20 county centers with 481 participating districts. Distribution.--Paid during second quarter of school year.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
RESIDENT ON STATE-OWNED PROPERTY FUND $ 35,000 (-) (Title 18: 10-29.35b, NJSA) Sum of $200 per pupil is paid for each pupil residing on State-owned property, provided that this amount when added to the Minimum and Equalization Aid does not exceed the average per pupil cost in the State for elementary or secondary education, whichever applies.	State share.--100 percent of approved amount. Local share.--None

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e Funds for the public schools and for program participation

ent of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 35,000 (-)		
um of $200 per pupil is paid for each upil residing on State-owned property, rovided that this amount when added o the Minimum and Equalization Aid oes not exceed the average per pupil ost in the State for elementary or econdary education, whichever applies.	State share.--100 percent of approved amount. Local share.--None	Requirements for participation.--Same as Minimum Aid Fund. Extent of participation.--7 school districts. Distribution.--Paid during second quarter of school year.

LOCAL SUPPORT, 1966-67

Provisions for Raising School Revenue

Property assessments.--Property is assessed by local assessors or local boards of assessors. The county board of taxation establishes a uniform ratio of real property assessment within the county. The county board of taxation may review and revise assessments upon appeal from the taxpayer or taxing district. A State Board of Tax Appeals may review and revise appeals from the decisions of the county tax board.

The Division of Taxation is required to promulgate a table of equalized property valuations for use by the State Commissioner of Education in the apportionment of State School Aid and by the local school districts and municipalities for the legal borrowing capacities.

Local districts.--Only tax rates for debt service may be levied without a vote. Approval of the bond issue authorizes local boards of education to levy annually the amount required for debt service. There is no specified limit to the tax rate for debt service.

All tax levies for current operating expenses must be approved by a vote of the people in Chapter VII (In Chapter VII Districts the voters elect the members of the board of education and vote upon tax funds required for operation and bond issues.) and Chapter VIII districts (In Chapter VIII Districts are two or more local school districts which have joined in the creation of a regional school district for specified purposes. In such districts the voters elect members of the board of education and vote upon tax funds and bond issues.). In Chapter VI districts, (In Chapter VI Districts the major or other chief executive officer appoints the board of education. Annual appropriations raised by taxation are fixed and determined by a board of school estimate.) the levy for current operating expenses may not exceed 1.5 percent of the valuation of taxable property without the concurrence of the municipal governing body. There is no legal tax rate limit to the amount of tax levies which can be approved by a vote of the people in any school district.

Provisions for School Indebtedness

Initiating bond issues.--Boards of education in Chapter VII and Chapter VIII districts initiate proposals and arrange for the issuance of bonds. In Chapter VI districts, the proposals for bonds are also initiated by the board of education but must be approved by the board of school estimate. Bonds are issued by and become an obligation of the municipality.

Limitation on debt.--Limitations on school indebtedness are statutory. Boards of Education of Chapters VII and VIII districts, and for Chapter VI districts, the local governing body may issue bonds up to specified limits, ranging from 2½ to 3½ percent of average equalized valuation.

All districts may exceed limitations on school indebtedness upon a vote of the electorate if approved by State Commissioner of Education and State Board of Education.

Bonds issued: For acquiring and improving land, bonds must mature within 40 years. For furniture and equipment, bonds must mature within 10 years; for erection of buildings, bonds must mature limits of 20, 30, and 40 years, depending on the type of construction.

Voting requirements.--In Chapter VII and Chapter VI
posal must be submitted to the voters and a record of pr
mitted to the Attorney General for his approval of the l
ings. Favorable vote of a majority of those voting upon
authorize the issue.

Approval and sale of bonds.--Bonds are not sold str
basis. All bonds shall be sold at not less than par, ma
than one interest rate, but must be awarded to the bidde
interest rate. If two or more bidders offer to pay the
then the one offering the highest additional price is aw
of the bond issue may be temporarily invested in bonds
United States of America.

Bond records, tax levies, and payments.--Tax levies
over and above those for the current school program. Bo
responsibility for payment of principal and interest res
urer in chapter VI districts. In chapter VII and VIII
of the board of education must certify to the county ta
for debt service payments and such amount shall be inclu
The secretary of the board of education is also responsi
and for debt service payments.

Short-term indebtedness.--Districts may borrow aft
January 1, half of the appropriation for current expens
therefore and pay interest not exceeding 6 percent per

Amounts borrowed together with interest costs must
tax certification to the county board of taxation. Thes
issue temporary loan bonds or notes in anticipation of

The board of education of any township, incorporat
school districts may borrow an amount not exceeding 80
of tuition due from another district and such notes sha
of the tuition money.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms for all distric
provided by the State Department of Education. The sch
July 1 and ends on June 30.

Local approval.--In all school districts, budgets
tively approved by local school officials between the
and the first day of February and by regional districts
public advertisement setting forth the budget and notic
the budget must be printed in a newspaper published or
district. In chapter VI school districts, the local sc
and determined by a board of school estimate. The loc
be approved by the municipal governing body if the rate

Voting requirements.--In Chapter VII and Chapter VIII districts, the proposal must be submitted to the voters and a record of proceedings must be transmitted to the Attorney General for his approval of the legality of the proceedings. Favorable vote of a majority of those voting upon the proposition shall authorize the issue.

Approval and sale of bonds.--Bonds are not sold strictly on the "yield" basis. All bonds shall be sold at not less than par, may be offered at more than one interest rate, but must be awarded to the bidder offering the lowest interest rate. If two or more bidders offer to pay the same interest rate, then the one offering the highest additional price is awarded the bid. Proceeds of the bond issue may be temporarily invested in bonds or notes issued by the United States of America.

Bond records, tax levies, and payments.--Tax levies for debt service are over and above those for the current school program. Bond records and the responsibility for payment of principal and interest rests with the city treasurer in chapter VI districts. In chapter VII and VIII districts, the secretary of the board of education must certify to the county tax board the amount needed for debt service payments and such amount shall be included in the school levy. The secretary of the board of education is also responsible for the bond records and for debt service payments.

Short-term indebtedness.--Districts may borrow after July 1 and before January 1, half of the appropriation for current expense, and deliver its notes therefore and pay interest not exceeding 6 percent per annum.

Amounts borrowed together with interest costs must be included in the next tax certification to the county board of taxation. These districts may also issue temporary loan bonds or notes in anticipation of the sale of bonds.

The board of education of any township, incorporated town, or borough school districts may borrow an amount not exceeding 80 percent of the amount of tuition due from another district and such notes shall be paid upon receipt of the tuition money.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms for all districts are prescribed and provided by the State Department of Education. The school fiscal year begins on July 1 and ends on June 30.

Local approval.--In all school districts, budgets are prepared and tentatively approved by local school officials between the second Tuesday in January and the first day of February and by regional districts one week earlier. A public advertisement setting forth the budget and notice of public hearing on the budget must be printed in a newspaper published or circulated within the district. In chapter VI school districts, the local school tax levy is fixed and determined by a board of school estimate. The local school tax levy must be approved by the municipal governing body if the rate exceeds 15 mills.

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l boards of education to levy
here is no specified limit to

must be approved by a vote of
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required for operation and
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Annual appropriations raised by
school estimate.) the levy for
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r of Education and State Board

and, bonds must mature within 40
mature within 10 years; for
of 20, 30, and 40 years, depend-

Provisions for School Budgets - Continued

State review or approval.--All school districts must file a copy of their budgets with the State Department of Education which has the responsibility of seeing that State current expense and building aid apportionments are properly anticipated as revenue and that the proposed expenditures are sufficient for compliance with mandatory provisions of the law. There is no prescribed date for filing the budget, but is recommended that it be filed 5 days prior to publication.

Provisions for School Audits

In accordance with the provision
18:5-65.1 et seq. NJSA, every distric
district's accounts of financial tran
later than 3 months after the end of
a certified public or registered muni
hold a license as a public school acc

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hool districts must file a copy of their
Education which has the responsibility of
building aid apportionments are properly
roposed expenditures are sufficient for
of the law. There is no prescribed date
nded that it be filed 5 days prior to

Provisions for School Audits

In accordance with the provisions of ch. 229, Laws of New Jersey, 1951, 18:5-65.1 et seq. NJSA, every district shall cause an annual audit of the district's accounts of financial transactions to be made and completed not later than 3 months after the end of each fiscal year. The board shall employ a certified public or registered municipal accountant of New Jersey who shall hold a license as a public school accountant.

NEW MEXICO
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

NEW MEXICO PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. **Harry** Wugalter, Chief, Public School Finance, New Mexico State Department of Finance and Administration, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 86 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.

2. Estimated percentages of the funds for State support are as follows: General Fund Revenue, 72 percent; Mineral Lease Revenue, 9 percent; Current School Fund Income, 19 percent--(1) Interest on Investment of Permanent Fund, 9 percent; (2) Land Income, 8 percent; and (3) $\frac{1}{2}$-mill levy, Fines, Forfeitures, etc., 2 percent.

3. With the exception of the Public School Equalization Fund (Minimum Support Distribution) which has equalizing aspects, all other State distribution described in this leaflet can be classified as flat grants despite use of the word "equalization" in the fund titles.

4. Basic Support and Current Fund Distributions are combined to assure a program level of the basic support figure set by the Legislature. In 1968, this figure was $272.50. These distributions represent 84.9 percent of State Support.

5. Funds are appropriated by the Legislature for free textbooks from the Mineral Lease Revenue fund.

LOCAL SUPPORT

1. Approximately 86 percent of the county and local public school revenue is obtained from property taxes.

2. An estimated 60 percent of the property tax revenue is from a countywide levy, and the balance is from separate local levies.

3. Countywide revenue sources for schools, other than property taxes, provide the remaining 14 percent of the county and local revenue receipts. Included among these sources is 15 percent of the motor vehicle license tax and half of the collections from business licenses and occupation taxes.

4. No specified county or local district school tax rates are required for participation in the State support program, but each county is required to levy a $\frac{1}{2}$-mill property tax and transmit the receipts from this tax to the State Treasurer. This is redistributed to the district via the Current School Fund distribution.

5. Five mills is levied countywide on all assessed property, unless county reappraisal has been completed, then 6.7 mills is levied. This levy is for general school purposes and is distributed on WADM percentages to the districts. However, county commissioners may levy a general school tax of up to 10 mills and a special district tax for schools not in excess of 5 mills, exclusive of principal and interest. In addition, a tax levy is made on property in the local school district, and income from this source is used within the district where levied, but under the 20-mill limitation for tax levies in New Mexico this tax can be 4.45 mills maximum. In municipalities, unless the municipality waives the levy to the school district, the maximum district levy is 2.225 mills.

6. School debt is limited to 6 percent of the local assessed valuation of taxable property in the district.

Local Support--continued

7. The 1968 Special Session of the 28th Legislature passed Chapter 2, an Act providing for raising public revenue by authorizing school boards to impose a county income surtax, to be approved at an election and to be used for educational purposes (The county income surtax shall be effective only for calendar year 1968 and for fiscal years commencing in 1968 for a year after the commencement of the particular fiscal year).

NEW MEXICO

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requ dis
Total $115,796,500 (100.0%)		
PUBLIC SCHOOL EQUALIZATION FUND--Basic Support Distribution Portion. (Sec. 77-6-[illegible]9 N.M.S.A., 1953 Compilation as appropriated by Ch. 64, Laws of 1968.) $ 72,922,500 (63.0%)	State share--100 percent of calculated amount minus amount from the Current School Fund. Local share--None. However, each county is required to levy a .5-mill property tax and transmit the proceeds to the State which redistributes the revenue through the Current School Fund distribution.	Requ ties accu quir tend Chie Divi at l leas clas majo ards zati mont Exte tric tion Dist
Current Expense, grades 1-12.... Estimated $272.50 per weighted pupil in current ADM, by school:		
Allowance per pupil........... (see table below)		
Special Education.............. A weighting factor of 2 is used for each pupil in membership in approved programs for handicapped children. Estimated ADM is used until February 15, when actual figures are employed. For ADM other than specified, allowances are derived by interpolation. Night high school		

ADM[1/]	Weighting Factor Grades 1-6	Weighting Factor Grades 7-9	Weighting Factor Grades 10-12
20	1.670	2.220	2.900
30	1.540	2.220	2.900
40	1.460	2.060	2.900
50	1.400	1.970	2.650
60	1.350	1.910	2.500
80	1.310	1.810	2.290
100	1.270	1.740	2.170
120	1.240	1.690	2.080
140	1.210	1.650	2.010
160	1.190	1.620	1.960
185	1.169	1.578	1.902
205	1.158	1.556	1.862
225	1.147	1.536	1.830
245	1.137	1.520	1.807
265	1.127	1.505	1.786
285	1.117	1.490	1.765
305	1.107	1.477	1.744
355	1.088	1.447	1.697
405	1.079	1.423	1.656
455	1.069	1.406	1.628
510	1.061	1.388	1.600
610	1.049	1.370	1.562
710	1.036	1.352	1.526
810	1.024	1.336	1.494
910	1.011	1.322	1.469
1,000	1.000	1.309	1.457
1,225	1.000	1.280	1.426
1,500	1.000	1.259	1.391

1/ ADM of 20 is used for all elementary schools of smaller size; 30 ADM is used for all junior high schools of 30or less; 40 ADM is used for all high schools with 11-40 ADM; and an ADM of 10 is used for a high school of 10 or less ADM.

r the public schools and for program participation

e funds for school support, allowances

$115,796,500 (100.0%)

$ 72,922,500 (63.0%)

272.50 per weighted pupil in by school:

	Weighting Factor	
es	Grades 7-9	Grades 10-12
70	2.220	2.900
40	2.220	2.900
60	2.060	2.900
00	1.970	2.650
50	1.910	2.500
10	1.810	2.290
70	1.740	2.170
40	1.690	2.080
10	1.650	2.010
90	1.620	1.960
69	1.578	1.902
58	1.556	1.862
47	1.536	1.830
37	1.520	1.807
27	1.505	1.786
17	1.490	1.765
07	1.477	1.744
88	1.447	1.697
79	1.423	1.656
69	1.406	1.628
61	1.388	1.600
49	1.370	1.562
36	1.352	1.526
24	1.336	1.494
11	1.322	1.469
00	1.309	1.457
00	1.280	1.426
00	1.259	1.391

is used for all elementary maller size; 30 ADM is used or high schools of 30or less; ed for all high schools with nd an ADM of 10 is used for l of 10 or less ADM.

factor of 2 is used for each bership in approved programs ped children. Estimated ADM l February 15, when actual employed. For ADM other ed, allowances are derived tion. Night high school

State and local shares for support of the calculated State program allowance

State share--100 percent of calculated amount minus amount from the Current School Fund.

Local share--None. However, each county is required to levy a .5-mill property tax and transmit the proceeds to the State which redistributes the revenue through the Current School Fund distribution.

Requirements for and extent of school-district participation and schedule for distributing State aid

Requirements for participation--Counties and school districts must keep accurate records as specified and required by State law, the State Superintendent of Public Instruction, and the Chief of the Public School Finance Division. Districts must operate schools at least 180 teaching days and provide at least one full-time equivalent certified classroom teacher for each 30 pupils or major fraction thereof; meet State standards for curriculum and school organization and administration; provide monthly pupil membership reports.

Extent of participation--89 school districts. (Estimated as several consolidations under consideration)

Distribution.--12 monthly distributions

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support o the calculated State program allowanc
PUBLIC SCHOOL EQUALIZATION FUND — continued		
Special Education — continued.	students must be regularly enrolled for one-half or more of the minimum student requirements of schools approved by the State Board of Education to be included in membership reports and qualify for basic support.	
Public school services for pupils enrolled in nonprofit private schools...............	Pupils enrolled in private schools may not be concurrently enrolled in a public school (so-called shared time or dual enrollment) and so are not counted in determining the amount of State aid for which districts may qualify under this distribution.	
CURRENT SCHOOL FUND (Sec. 4, Art. XII New Mexico Constitution; Sec. 77-6-34, NMSA.)	$20,000,000 (17.3%)	
Current Expense, grades 1-12....	Amount per unmarried person 6-18 years of age, inclusive.	State share--100 percent of calculated amount. Local share--None.
PUBLIC SCHOOL EQUALIZATION FUND-- Transportation Portion. (Sec. 77-6-24 NMSA., 1953 Compilation, Sec. 77-14-1 through 77-14-9.)	$ 7,550,000 (6.5%)	
Transportation..................	School-owned buses: Allowance for operation and maintenance based on road conditions, size of bus, and number of daily route miles traveled by a bus. Also, allowance is made for frequent bus stops and heavy grades. Salary allowance for drivers, based on hourly rate and daily duty hours. Privately owned buses: Allowance for depreciation based on age and size of bus. Allowance for operation and maintenance based on road conditions, size of bus, and number of daily route miles traveled by a bus. Also, allowance is made for frequent bus stops and heavy grades. Salary allowance for drivers based on hourly rate and daily duty hours.	State share--100 percent of cost to max allowance. If proposed allocation exce appropriation, allocations are reduced necessary. Local share--All cost not covered by re bursement.

PUBLIC SCHOOL FINANCE PROGRAM

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 the public schools and for program participation

e funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
t be regularly enrolled for more of the minimum student of schools approved by the of Education to be included p reports and qualify for t. led in private schools may rrently enrolled in a public alled shared time or dual and so are not counted in the amount of State aid for cts may qualify under this . $20,000,000 (17.3%)		
nmarried person 6-18 years usive. $ 7,550,000 (6.5%)	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--School districts must take and report in annual census of unmarried persons 6-18 years of age, inclusive. Extent of participation--89 school administrative units. Distributed quarterly.
buses: Allowance for opera- ntenance based on road con- e of bus, and number of miles traveled by a bus. nce is made for frequent bus avy grades. Salary allowanc based on hourly rate and ours. ned buses: Allowance for based on age and size of nce for operation and main- d on road conditions, size number of daily route miles a bus. Also, allowance is quent bus stops and heavy ary allowance for drivers rly rate and daily duty	State share--100 percent of cost to maximum allowance. If proposed allocation exceeds appropriation, allocations are reduced as necessary. Local share--All cost not covered by reimbursement.	Requirements for participation--Pupils must live beyond minimum distances of 1 mile for grades 1-6, 1.5 miles for grades 7-9, and 2 miles for grades 10-12, except where extremely hazardous walking conditions exist. State transportation director is basically responsible for establishing each school bus route. Extent of participation--89 school districts. Distributed monthly for 10 months.

NEW MEXICO

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requiremen district for
PUBLIC SCHOOL EQUALIZATION--CLASSROOM TEACHER EXPERIENCE DISTRIBUTION. (Sec. 77-6-26)	$4,100,000 (3.5%)		
Experience Distribution..........	Amount per classroom teacher experience year --10 years maximum, B.A., 15 years maximum, M.A.	State share--100 percent of calculated amount. Local share--None.	Requiremen room Teach experience M.A. maxim Extent of districts. Distribute
TEXTBOOK FUND (Sec. 77-13-5 through 77-13-14)	$2,300,000 (2.0%)		
Textbook Fund....................	Amount per pupil in ADM in grades 1-12 in public and private schools.	State share--100 percent of calculated amount. State buys books as ordered for districts from funds derived from the mineral lease income. Local share--Additional amounts collected from students are also used for textbooks.	Requiremen necessary Extent of administra schools. Distribute and appro
PUBLIC SCHOOL EQUALIZATION--QUALIFICATION DISTRIBUTION. (Sec. 77-6-25)	$1,640,000 (1.4%)		
Qualification Distribution.......	Amount per Instructional Personnel with a master's degree or higher.	State share--100 percent of calculated amount. Local share--None.	Requireme Instructi degree x Extent of districts Distribut
PUBLIC SCHOOL EQUALIZATION--DRIVER EDUCATION DISTRIBUTION. (Sec. 77-6-27 through 77-6-28)	$ 300,000 (.3%)		
Driver Education Distribution....	Amount per ADM in approved Driver Education Program.	State share--100 percent of approved amount) Local share--Any tuition fees charged for such program.	Requireme proved Dr per ADM. Distribut

lic schools and for program participation

or school support, es	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
00,000 (3.5%)		
teacher experience mum,B.A., 15 years	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--Classroom Teacher Experience at $50 per year's experience; B.A. maximum, 10 years; and M.A. maximum, 15 years. Extent of participation--All 89 school districts. Distributed annually.
00,000 (2.0%)		
ADM in grades 1-12 e schools.	State share--100 percent of calculated amount. State buys books as ordered for districts from funds derived from the mineral lease income. Local share--Additional amounts collected from students are also used for textbooks.	Requirements for participation--File necessary reports and requisitions. Extent of participation--All 89 school administrative units and most nonpublic schools. Distributed as requisitions are filed, and approved as book orders are filled.
40,000 (1.4%)		
onal Personnel with higher.	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--Number of Instructional Personnel with master's degree x $400. Extent of participation--All 89 school districts. Distributed annually.
300,000 (.3%)		
proved Driver Educa-	State share--100 percent of approved amount Local share--Any tuition fees charged for such program.	Requirements for participation--ADM in approved Driver Education courses at $17.50 per ADM. Distributed annually.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
PUBLIC SCHOOL EQUALIZATION--Chief's Discretionary Distribution. (Sec. 77-6-29)	$ 304,000 (.3%)	
Chief's Discretionary Distribution. (Out-of-State tuition and other purposes as approved by the Chief)......................	Amount of special request as approved.	State share.--100 percent of approved amount. Local share.--None.
PUBLIC SCHOOL EQUALIZATION--Minimum Support Distribution. (Sec. 77-6-21)	$ 380,000 (.3%)	
Minimum Support Distribution....	Amount by which operating revenue, exclusive of 30 percent of all local and Federal funds, falls below $35 per WADM.	State share.--100 percent of calculated or approved amount. Local share.--None.
PUBLIC SCHOOL EQUALIZATION--Instructional Personnel. (Ch. 64, Laws of 1968, Sec. 77-6-25)	$ 6,300,000 (5.4%)	
Non-Matching Distribution........	Payment to each school district the sum of $525 for each individual holding at least a bachelors degree, employed by the district as of October 15th classified as certified instructional employees as defined in Sec. 77-6-25 NMSA., 1953 Compilation.	State share.--100 percent of calculated amount. Local share.--None.

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PUBLIC SCHOOL FINANCE PROGRAM

public schools and for program participation

is for school support, ances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
304,000 (.3%)		
request as approved.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--District must exhibit a unique financial situation that cannot be managed through the Basic Support Distribution formula. Extent of participation.-- 10 to 12 school districts. Distribution.--Annually.
380,000 (.3%)		
perating revenue, ex- cent of all local and lls below $35 per WADM.	State share.--100 percent of calculated or approved amount. Local share.--None.	Requirements for participation.--Operating revenue; exclusive of 30 percent of all local and Federal funds, falls below the "minimum support" level. Extent of participation.--21(Estimate) school districts. Distribution.-- In one annual payment.
6,300,000 (5.4%)		
school district the each individual hold- achelors degree, em- istrict as of October as certified instruc- as defined in Sec. 1953 Compilation.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Report to State Superintendent of Public Instruction a list of personnel employed as of October 15 classified as certified instructional personnel, indicating the name, position, highest academic degree held, contract salary as of October 15 of that year and, for those individuals employed by that district in the prior academic year, the contract salary as of October 15 of that prior year. Extent of participation.--89 school districts. Distribution.--In one annual payment.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Local property valuations for taxation purposes are established by county assessors who are elected by the people. Corporate property is assessed by the State Tax Commission, and the Oil and Gas Accounting Commission assesses oil and gas production. County officials have authority to change local assessments but not values determined by the State Tax Commission.

Intermediate districts.--By Statute, county commissioners may levy a general county school tax of up to 10 mills and a special district tax for schools not in excess of 5 mills, exclusive of principal and interest requirements. However, there is a 20-mill limitation for State, county school, and municipal general purposes. Proceeds from the general county school tax are distributed among the school districts in the county according to the proportion the weighted membership of each district bears to the weighted membership of the entire county. If part of a school district lies in two or more counties, the proceeds of the general county school tax levy attributable to the area of the district lying outside the county in which the parent district is headquartered is transferred to the county treasurer of the county in which the parent district is headquartered.

Receipts from the special district taxes levied separately for each district are credited to each district on the basis of tax collections made therein. Each county also levies and collects a ½-mill property tax which is transmitted to the State Treasurer (Current School Fund).

In addition to revenue from these taxes, half the receipts from Federal forests located within the county, 15 percent of the motor vehicle license tax, and half the collections from license or occupation taxes are for school purposes. All receipts from these are distributed to the school district according to the proportion the weighted membership of each district bears to the weighted membership of the entire county.

There are no provisions for voting a countywide school tax.

Local districts.--Each rural school district is authorized to levy 4.45 mills and each urban school district can levy 2.225 mills on the assessed value of the district without a vote of the people subject to approval of the budget and the extent it justifies the levy. There are no provisions for voting a local school tax. Tax limits are based on local assessed valuations.

Section 77-6-37 N.M.S.A., authorizes the Chief of Public School Finance to calculate the net amount to be raised by tax levies and rates thereof for each county and district in the State and certify to each board of county commissioners before the first Monday of September of each year.

Provisions for School Indebtedness

Initiating bond issues.--The election on the question of creating a debt by issuing general obligation bonds shall be held at the same time as a regular school district election or at any special school district election which is not within ninety days after a regular school district election. The question shall be submitted upon the initiative of the local board or upon a petition being filed with the local school board signed by qualified electors of the school district having paid a property tax on property in the school district for the preceding year according to the latest completed tax rolls. The number of signatures on the petition shall be at least 10 percent of the number of votes cast

for governor in the school district
(Sec. 77-15-2, N.M.S.A., 1953 Compil
election within ninety days from the
with them.

Limitations on issuance of bond
for $10,000 or less, and may be issu

Limitations on debt.--The const
assessed valuation of the school dis
ority to fix or authorize a higher d

Voting requirements.--A favorab
owners who are qualified electors an
essary to issue school bonds.

Approval and sale of bonds.--Al
Attorney General. The State does no
State Treasurer purchases bonds. It
first to a State agency. Funds from
needed may be invested in a federall
2 years from the date of initiation
election is defeated, an election ma
presentation of a petition pursuant
is again defeated, no further electi
iod of two years from date of first

Bond records, tax levies, and p
the county treasurer so long as the
the school district.

Section 77-6-42 N.M.S.A. permi
own boards of finance. Bond record

Bonds cannot be issued or sold
previously been made to meet intere
year after date of issue.

Short-term indebtedness.--Dist
indebtedness when funds are insuffi
These must be retired before the cl
not in excess of 6 percent a year.

BUDGET

Provisions for School Budgets

Budget forms.--All school budg
the Chief and must contain at least
following headings:

A. General Operations:

(1) Instruction, includi
therewith, textbooks,

for governor in the school district at the last preceding general election. (Sec. 77-15-2, N.M.S.A., 1953 Compilation) A local board shall call for a bond election within ninety days from the date a properly signed petition is filed with them.

Limitations on issuance of bonds.--Bonds must be serial or can be term if for $10,000 or less, and may be issued for a maximum of 20 years.

Limitations on debt.--The constitutional debt limit is 6 percent of the assessed valuation of the school district. No State executive agency has authority to fix or authorize a higher debt limit.

Voting requirements.--A favorable vote of the majority of the property owners who are qualified electors and taxpayers voting in the election is necessary to issue school bonds.

Approval and sale of bonds.--All bond issues must be approved by the Attorney General. The State does not assist with the sale other than when the State Treasurer purchases bonds. It is not necessary that the bonds be offered first to a State agency. Funds from the sale of bonds that are not immediately needed may be invested in a federally insured bank. Bonds cannot be sold after 2 years from the date of initiation of proceeding for the election. If an election is defeated, an election may be held six (6) months after failure upon presentation of a petition pursuant to Section 77-15-2, N.M.S.A., if the election is again defeated, no further election on same question shall be held for a period of two years from date of first bond election on the question.

Bond records, tax levies, and payments.--Bond registers are maintained by the county treasurer so long as the county treasurer is the fiscal agent for the school district.

Section 77-6-42 N.M.S.A. permits local boards of education to act as their own boards of finance. Bond records are also kept by each district.

Bonds cannot be issued or sold after July 1 unless adequate tax levies have previously been made to meet interest and principal payments due for the first year after date of issue.

Short-term indebtedness.--Districts are authorized to issue certificates of indebtedness when funds are insufficient to meet the needs during the year. These must be retired before the close of the fiscal year and shall bear interest not in excess of 6 percent a year. In practice, certificates are seldom used.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--All school budgets are in the form and detail specified by the Chief and must contain at least the following items and details under the following headings:

A. General Operations:

(1) Instruction, including salaries of personnel chiefly concerned therewith, textbooks, library and audiovisual materials, teaching

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n purposes are
orporate prop-
Accounting Com-
uthority to
ax Commission.

y levy a general
r schools not in
ts. However,
ipal general
buted among the
ighted member-
ire county. If
eds of the gen-
ict lying out-
transferred to
s headquartered.

or each district
e therein. Each
ansmitted to the

rom Federal for-
icense tax, and
ool purposes.
cording to the
weighted mem-

o levy 4.45
assessed value
of the budget
r voting a local

ool Finance to
reof for each
nty commis-

eating a debt by
s a regular
ion which is not
question shall
ition being
f the school dis-
ict for the pre-
ber of signa-
of votes cast

Provisions for School Budgets--continued

A. General Operations:--continued

supplies and services, and related items.

(2) General control, including salaries of administrative personnel legal services, census and election expense, audit, board expense, travel, supplies, and related items.

(3) Fixed charges, including insurance, rent, and special assessments.

(4) Auxiliary services, including costs of attendance services, health services, and community services, if any.

(5) Transportation, including salaries, contracts for service, cost of related equipment, and related expenses.

(6) Operation of plant, including salaries, utilities, and supplies for operation of plant.

(7) Maintenance of plant, including salaries of persons whose primary duty is repair of buildings and equipment, and costs of materials and equipment for repairing and replacing buildings and equipment and for ground maintenance.

B. Capital Outlay

C. Transfer Accounts:

(1) Loan payments
(2) Tuition
(3) Special self-sustaining projects

D. Debt Service:

(1) Payment to principal
(2) Payments to interest

(Section 77-6-7, N.M.S.A., 1953 Compilation)

The budget request must
published in the "Manual of
Budgeting for New Mexico Sch
and approval by the Legislat

Local approval.--Budget
and must be approved at a pu
writing, prior to submission
nance. Prior to June 20 of
shall, at a public hearing o
school board, fix the estima
fiscal year.

State review or approva
Public School Finance and ar
on or before the first Monda
checked by several Legislati
Finance Committee.

Special Budget Hearings

The Director of the Dep
of hearing, may authorize an
in amounts of more than one
be published at least once e
paper of general circulation

Provisions for School Audits

Annual school audits ar
or person approved by him.
cost.

1/ Chapter 77-6-5, NMSA 195

ed items.

ies of administrative personnel
ion expense, audit, board ex-
ated items.

ce, rent, and special assessments.

sts of attendance services, health
, if any.

ies, contracts for service, cost
d expenses.

laries, utilities, and supplies

salaries of persons whose primary
equipment, and costs of materials
replacing buildings and equipment

n)

The budget request must be in conformity with guidelines established and published in the "Manual of Procedure for Uniform Financial Accounting and Budgeting for New Mexico School Districts." This manual is subject to review and approval by the Legislative Finance Committee.[1]

Local approval.--Budget requests are prepared by the school officials and must be approved at a public meeting by the local board of education, in writing, prior to submission of the budget to the Chief of Public School Finance. Prior to June 20 of each year, each local school board and the Chief shall, at a public hearing of which notice has been published by the local school board, fix the estimated budget for the school district for the ensuing fiscal year.

State review or approval.--All budgets are reviewed by the Chief of Public School Finance and are given his final approval in final budget form on or before the first Monday of September of each year. The budgets are also checked by several Legislative committees, the foremost being the Legislative Finance Committee.

Special Budget Hearings

The Director of the Department of Finance and Administration, after notice of hearing, may authorize an increase in a school budget, after final approval, in amounts of more than one thousand dollars. The notice of the hearing shall be published at least once each week for two (2) consecutive weeks in a newspaper of general circulation in the county in which the school unit is located.

Provisions for School Audits

Annual school audits are made by the Legislative Auditor or by some firm or person approved by him. The expense of the school audit is a local district cost.

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[1] Chapter 77-6-5, NMSA 1953 Compilations.

NEW YORK

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

NEW YORK PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. David Billmyer, Senior Research Analyst, Bureau of Educational Finance Research, New York State Education Department, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 50 percent of nonfederal revenue of local school districts is provided by the State.
2. All State support for public schools is provided by legislative appropriation. No State taxes are earmarked for schools.
3. Almost 93 percent of State school support revenue is distributed as general aid.
4. A variable percentage-sharing formula determines the degree to which the State will share in the local districts' expenditures for the basic school program.
5. Operating expenditure aid ranges from guarantee of $274 per weighted pupil in average daily attendance (WADA) to 90 percent (aid ratio) of the approved operating expenditure ceiling of $760. In addition, the district may receive growth, building, transportation, size correction, and current budget aids.
6. There is an overall guarantee of $304 per pupil or 100 percent of the 1965-66 aid. There are special provisions for less than 8 teacher districts based on operating and transportation expenses only. There are special provisions for school lunch and various experimental and innovative programs. Boards of Cooperative Educational Services, whereby districts jointly provide services which they could not efficiently provide by themselves, are also aided. School districts are reimbursed for textbooks purchased to loan to public and nonpublic pupils attending grades 7-12. Finally, grants are distributed to urban areas for special educational needs associated with poverty.

LOCAL SUPPORT

1. Property taxes provide almost all of the local share of school district revenue.
2. Local school districts are not authorized to levy nonproperty taxes. Counties, however, may levy such taxes and direct the the proceeds to school district support.
3. Nonproperty taxes account for approximately 1.5 percent of the total revenue derived from county and local sources.
4. A tax of at least 11 mills on full property value is required for full participation in the support program.
5. School districts outside of cities have no statutory tax limit. City school districts have tax limits varying from 12.5 to 25.0 mills.
6. School districts in cities of less than 125,000 population are fiscally independent, and the authorized tax limit is for current operating expenses. The six large city districts are fiscally dependent, and the tax limit is an overall limitation, including support for other governmental services. Taxes for debt service are outside this tax limit.
7. Standard debt limits for school districts, based on State equalized full property valuation are: 10 percent for noncity districts; 7 percent for cities under 125,000 population; 9 percent for larger cities other than New York; and 10 percent for New York City.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for su the calculated State program a
Total . . . . (Est.)	$1,960,600,000 (100.0%	
GENERAL AID (Sec. 3602 of the Education law.)	$1,817,700,000 (92.7%	
Pupils - Weighted Average Daily Attendance (WADA)................	Half-day kindergarten ------ 0.50 Full-day kindergarten and grades 1-6---------------- 1.00 Grades 7-12.---------------- 1.25	State share.--Calculated amount by the State aid ratio.
Operating expenses...............	State-local sharing of approved operating expenses to $760 per WADA. Approved operating expenses are defined as all expenses of the previous school year (base year), except capital outlay and debt service, transportation, payment to Boards of Cooperative Educational Services or County Vocational Education and Extension Boards, and tuition payments to other districts. Also, excluded are Federal aid, separately aided State programs and the proceeds of borrowing, rentals, sales and fees. State's share of districts' operating expenses is determined by an aid ratio. The formula is: $\text{Aid Ratio}=1.00-\left[\frac{\text{District Wealth per pupil}}{\text{State Average Wealth per pupil}}\times .51\right]$ Limitations and guarantees: (1) The aid ratio is limited to 90 percent. (2) Each district is guaranteed $274 pe pupil in WADA for operating expense. (3) An overall minimum guarantee of $304 per WADA or 100 percent of 1965-66 aid is provided.	Building expense aid is the sum year approved capital outlay and current expenditures for debt se plied by the aid ratio. Transportation aid is 90 percent ed expenses. Local share.--Balance f cost of All costs above maxim a sharing borne by the district
Pupil growth......................	Approved operating expense aid increase by percent growth in WADA of first attendance period of current year over first attendance period of base year.	
Current budget....................	Districts whose operating expense per WADA was less than $760 in the base yea and budgeting to spend more in the current year, may use budgeted operating expense and estimated WADA, to $760 per WADA to compute operating expense aid.	

PUBLIC SCHOOL FINANCE PROGRAM

or the public schools and for program participation

ate funds for school support, t allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
t.) $1,960,600,000 (100.0%) $1,817,700,000 (92.7%)		
indergarten ------ 0.50 indergarten and -6---------------- 1.00 2.---------------- 1.25 l sharing of approved operat- es to $760 per WADA. perating expenses are defined enses of the previous school year), except capital outlay ervice, transportation, pay- ards of Cooperative Education s or County Vocational Educa- xtension Boards, and tuition o other districts. Also, re Federal aid, separately e programs and the proceeds ng, rentals, sales and fees. are of districts' operating s determined by an aid ratio. a is: $1.00 - \left[\frac{\text{District Wealth per pupil}}{\text{State Average Wealth per pupil}} \times .51\right]$ s and guarantees: d ratio is limited to 90 per- istrict is guaranteed $274 per ADA for operating expense. rall minimum guarantee of ADA or 100 percent of 1965-66 vided. perating expense aid increased growth in WADA of first at- eriod of current year over ndance period of base year. whose operating expense per ess than $760 in the base year ing to spend more in the cur- may use budgeted operating d estimated WADA, to $760 per mpute operating expense aid.	State share.--Calculated amount multiplied by the State aid ratio. Building expense aid is the sum of the base year approved capital outlay and approved current expenditures for debt service multiplied by the aid ratio. Transportation aid is 90 percent of approved expenses. Local share.--Balance of cost of programs. All costs above maximum sharing level are borne by the district	Requirements for participation.--The district must employ 8 or more teachers. It must levy local taxes (real property and nonproperty) equivalent to the higher of the following: a tax rate of $11 per $1,000 of actual valuation; a tax rate equivalent to the rate required to meet the local share in the district of average wealth at operating expenditure levels between $678 and $760 per WADA. The maximum required rate is $12.34. Building aid is not paid to districts scheduled for reorganization unless the aid will not impede reorganization. Extent of participation.--726 school districts. Distributed.--In September, October, November, January, February, March, April, May, and June.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requir distr f
GENERAL AID--continued		
Size correction:		
Small.......................... Sharing level increased 10 percent or $76 for first 1,500 WADA.		
Large districts, but excluding six largest cities............. Sharing levy increased 10 percent or $76 of WADA in excess of 8,000.		
Six largest cities............ Operating and growth aid increased **17.5 percent.**		
High Tax........................ Sharing level increased by the larger of the following:		
1. $\left[\text{Local Tax Rate} - \left(\frac{\text{State Average Tax Rate} + \text{operating exp./WADA-\$660}}{40{,}000}\right)\right]$	x Actual Valuation x Aid Ratio	
This amount may not exceed the lesser of: a. (operating expense/WADA-$760) x WADA x Aid Ratio b. ($65 x WADA) x Aid Ratio		
2. For districts whose 1967-68 tax rate was $22 or more, the lesser of: a. [(operating exp. /WADA - $760 x WADA] - [$.002 x actual valuation] b. ($65 x WADA) - ($.002 x actual valuation)		
Capital outlay and debt service.. Cost of construction in relation to rated pupil capacity, limited by a schedule of cost allowances, which are updated by a monthly index of the cost of labor and materials.		
Construction (April 1968)		
Grades K-6...................... $1,587 per pupil in rated capacity.		
Grades 7-9...................... $2,221 per pupil in rated capacity.		
Grades 7-12 or 10-12........... $2,380 per pupil in rated capacity.		
Incidental costs, including site, furnishings, equipment and professional fees:		
Grades K-6...................... 20 percent of construction cost allowance.		
Grades 7-12..................... 25 percent of construction cost allowance.		
Reconstruction or modernization.. An amount not to exceed 50 percent of cost allowance for new construction.		
Pupil transportation............ Approved transportation costs are those incurred in transporting allowable pupils (living 1½ miles or more from school) to and from school once daily on approved buses over approved routes.		

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or the public schools and for program participation

ate funds for school support, t allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
evel increased 10 percent or irst 1,500 WADA.		
evy increased 10 percent or DA in excess of 8,000. and growth aid increased ent. evel increased by the larger of ving:		
+ operating exp./WADA-$660 40,000	x Actual Valuation x Aid Ratio	
nt may not exceed the lesser of: ting expense/WADA-$760) x WADA WADA) x Aid Ratio	x Aid Ratio	
$22 or more, the lesser of: ating exp. /WADA - $760 x WADA] x WADA) - ($.002 x actual valuation)	- [$.002 x actual valuation]	
onstruction in relation to il capacity, limited by a sche- ost allowances, which are up- a monthly index of the cost of materials.		
r pupil in rated capacity. r pupil in rated capacity. r pupil in rated capacity.		
t of construction cost allow-		
t of construction cost allow-		
not to exceed 50 percent of wance for new construction.		
transportation costs are those in transporting allowable pu- ing 1½ miles or more from o and from school once daily on buses over approved routes.		

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares f the calculated State prog
GENERAL AID--continued		
Reorganized district: Incentive aid and operating aid..................	Operating expense aid increased 10 percent not to exceed the lesser of 90 percent of approved operating expenses or $760 per WADA, for five years. Beginning with the sixth year as a reorganized district, the aid is reduced one percent a year until eliminated.	
Building aid	Reorganized districts entitled to 25 percent additional building expenses aid, not to exceed 95 percent of approved expenditures for debt service and capital outlay.	
Aid to Small Districts .... (Secs. 3602b and 2043 of the Education Law)* * Amount included in estimate of General Aid for major school districts.	Aid Ratio times the smaller of operating expenses or $4,500 per full-time teacher, and base year WADA times $60, plus base year times .90. Transportation expense aid calculated in the same manner as for larger districts.	State share.--Calculated amo share. Local share.--$9 per [illegible],000 tion of taxable property for tricts. A $10 levy for whol districts, or the levy of th districts if higher.
STATE AID FOR TEXTBOOKS (Sec. 701 of the Education Law)	(Est.) $25,300,000 (1.3%)	
	Public school districts are reimbursed for expenditures for textbooks purchased to loan to resident public and nonpublic pupils in grades 7-12. State aid is equal to actual expenditures or $15 per enrolled pupil.	State share.--100 percent.
BOARDS OF COOPERATIVE EDUCATIONAL SERVICES (Sec. 1958 of the Education Law.)	(Est.) $41,000,000 (2.1%)	
	Boards of Cooperative Educational Services composed of two or more school districts, provide more efficiently and comprehensively services and programs than the districts could provide independently. State aid is based on approved expenditures made on behalf of component districts by the board.	State and Local shares.--Eac trict's share of the approv ices and administration pro board, is an amount which i proportion to the total cos tax is to the district's ta year. The State aid is the proved expenditures. The S component district is the h computed above or the amoun obtained by multiplying app tures by the district's aid

T, 1968-69--continued

ate funds for the public schools and for program participation

cent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
erating expense aid increased 10 percent ot to exceed the lesser of 90 percent of pproved operating expenses or $760 per ADA, for five years. Beginning with the ixth year as a reorganized district, the d is reduced one percent a year until iminated. eorganized districts entitled to 25 per- nt additional building expenses aid, not exceed 95 percent of approved expendi- ires for debt service and capital outlay.		
d Ratio times the smaller of operating penses or $4,500 per full-time teacher, d base year WADA times $60, plus base ar times .90. Transportation expense d calculated in the same manner as for rger districts. (Est.) $25,300,000 (1.3%)	State share.--Calculated amount minus local share. Local share.--$9 per ,000 of full valuation of taxable property for operating districts. A $10 levy for wholly contracting districts, or the levy of the receiving districts if higher.	Requirements for participation.--Employ fewer than eight teachers, maintain school or contract for instruction and comply with State law and regulations applicable to such districts. Extent of participation.--25 fewer than eight teacher districts. 85 contract districts. Distributed.--In September, January, and April.
blic school districts are reimbursed r expenditures for textbooks purchased loan to resident public and nonpublic pils in grades -12. State aid is equal actual expenditures or $15 per enrolled pil. (Est.) $41,000,000 (2.1%)	State share.--100 percent.	Requirements for participation.--Compliance with education law and regulation. Extent of participation.--728 school districts. Distributed.--As reports of expenditures are made and verified.
ards of Cooperative Educational Services mposed of two or more school districts, ovide more efficiently and comprehensive services and programs than the dis- icts could provide independently. State d is based on approved expenditures de on behalf of component districts by e board.	State and Local shares.--Each school district's share of the approved cost of services and administration provided by the board, is an amount which is in the same proportion to the total cost as a five-mill tax is to the district's tax rate for the year. The State aid is the balance of approved expenditures. The State aid to the component district is the higher of the aid computed above or the amount that would be obtained by multiplying approved expenditures by the district's aid ratio.	Requirements for participation.--A district must be a member of a duly constituted board, either by action of the district board of education or by approval of the Commissioner of Education. Extent of participation.--56 Boards of Cooperative Educational Services; 786 component districts. Distributed.--In September, January, and April.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requi dist
COUNTY VOCATIONAL EDUCATION AND EXTENSION BOARDS (Secs. 1104 and 1106 of the Education Law)	(Est.) $1,600,000 (0.1%) State aid is apportioned directly to the county board for approved programs of service to districts, and for the transportation of pupils to board classes or schools.	State share.--One-half of teacher and administrative staff salaries, not to exceed $3,000 for each such staff member, and one-half of approved transportation expenditure. Local share.--Balance of cost.	Requi must prove distr Exter Distr April
URBAN EDUCATION AID (Sec. 3602 of the Education Law)	(Est.) $52,000,000 (2.6%) Provided to urban, mostly city, school districts, for special educational needs associated with poverty. Limited to districts with more than 4,500 WADA, and heavy concentrations of disadvantaged pupils.	State share.--100 percent. Local share.-- None.	Requi pupil accor the Exter Dist Apri
SPECIAL EXPERIMENTAL PROGRAM AIDS (Various sections)	(Est.) $10,000,000 (0.5%) Eight programs designed to meet special needs of selected districts and children or to explore new educational processes. Funds are provided each year by specific appropriation. Aid is based on approved cash expenditures for approved projects.	State share.--It varies, depending on the method prescribed by law or Commissioner's regulations. For most programs the State's share is at least 50 percent of the approved cash expenditures. Local share.--Balance of approved amounts.	Requ appl depa ing Exte Dist the
SCHOOL LUNCH PROGRAM AID (P.L. 796, 79th Congress)	(Est.) $13,000,000 (0.7%) Allowable amount per meal, by type of meal served, to supplement Federal grants when Federal funds are exhausted.	State share.--100 percent of calculated amount. Local share.--None.	Requ prof tion in w Exte Dist

968-69--continued

unds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
(Est.) $1,600,000 (0.1%) te aid is apportioned directly to the nty board for approved programs of vice to districts, and for the trans- tation of pupils to board classes or ools.	State share.--One-half of teacher and administrative staff salaries, not to exceed $3,000 for each such staff member, and one-half of approved transportation expenditure. Local share.--Balance of cost.	Requirememts for participation.--The board must be duly constituted and provide approved programs and transportation to school districts within the county. Extent of participation.--Four boards. Distributed.--In September, January and April.
(Est.) $52,000,000 (2.6%) vided to urban, mostly city, school tricts, for special educational needs ociated with poverty. Limited to tricts with more than 4,500 WADA, and vy concentrations of disadvantaged ils.	State share.--100 percent. Local share.-- None.	Requirements for participation.--Meet the pupil requirements and develop projects in accordance with regulation promulgated by the Commissioner of Education. Extent of participation.--30 districts. Distributed.--September, January, and April.
(Est.) $10,000,000 (0.5%) ght programs designed to meet special eds of selected districts and children to explore new educational processes. nds are provided each year by specific propriation. Aid is based on approved sh expenditures for approved projects.	State share.--It varies, depending on the method prescribed by law or Commissioner's regulations. For most programs the State's share is at least 50 percent of the approved cash expenditures. Local share.--Balance of approved amounts.	Requirements for participation.--Approval of application for participation from the State department unit responsible for administering the program. Extent of participation.--250 districts. Distributed.--At beginning and the close of the school year.
(Est.) $13,000,000 (0.7%) lowable amount per meal, by type of al served, to supplement Federal ants when Federal funds are exhausted.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Provide non-profit school lunch program meeting nutritional requirements for the type of program in which it is participating. Extent of participation.--724 districts. Distributed.--Monthly.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Assessed valuations are established by local town, village, or city assessors who are generally chosen by popular election. In some cities and towns, the assessors are appointed. The State Board of Equalization and Assessment has no authority to change assessments, but it does establish ratios for determining full valuation.

Assessment to market value ratios for each city, town, and village are determined for each new assessment roll by the State Board of Equalization and Assessment. The State Board of Equalization and Assessment compiles sales data and appraises a sampling of property as a basis for its ratios. The Constitution provides that tax and debt limits be based on full value as determined by the State equalization rates.

Assessment ratio data are also used to apportion school aid and some other municipal aids, and to enable school districts to equalize their tax levies upon various tax jurisdictions. Assessment ratios are determined for each town within a county with no reference to school district boundaries. School districts whose boundaries cross town lines must apply to their assessed valuation in each town the equalization ratio for that town.

Intermediate districts.--No definite countywide provisions are made for school taxes and funds for education. However, counties are permitted to levy nonproperty taxes, including taxes on retail sales, utilities, sales of liquor, admissions, coin-operated amusement devices, use of passenger motor vehicles, and hotel occupancy. The rates on nonproperty taxes are approximately 1 percent in Erie County and 3 percent in Monroe County. Where such taxes are levied, the proceeds remaining after paying the cost of administration may be used for education and distributed to the schools in the county on the basis of ADA or some other basis determined by the board of supervisors.

Local districts.--School districts outside of cities have no statutory tax limit for current operating expenses nor for debt service that may be levied by the voters at an annual school-meeting election.

School districts in cities under 125,000 population, although fiscally independent, are prohibited from levying a rate of taxation for current operating expenses in excess of the 2.5 mills next above their actual rate for the year prior to the year in which the limitation was originally imposed (1950) without a 60 percent affirmative vote of the people. Original limits ranged from 12.5 mills to 20.0 mills which is the maximum allowable rate. These rates may be increased by 2.5 mills per year until the maximum limit of 20.0 mills is reached. Each increase requires a vote of the people and at least a year must elapse between such increases. The rates apply to the preceding 5-year average of State-equalized full property valuations. The tax rate for debt service is not included within these limits.

Cities above 125,000 population are fiscally dependent or subject to municipal budgetary control. A constitutional tax limitation of 20.0 mills on the preceding 5-year average of State-equalized full property valuation applies to all city services which include education. Thus, the tax levy for schools is included within the overall city's 20.0-mill limitation. The board of education in such cities presents its budget to the appropriate municipal authorities, who, in turn, react to the budget and levy the taxes without a vote of the people and appropriate the money to the board of education to operate the schools. The tax rate for debt is excluded from the overall limitation. For New York City, the limitation is 25.0 mills on State-equalized property valuations, also excluding debt service.

Provisions for School Indebtedness

Initiating bond issues.--Prop
school districts by action of the

Limitations on issuance of bo
education must be serial bonds. T
of the serial bonds is 30 years fr

Limitations on debt.--The lim
other than city school districts,
than 125,000 population, constitut
than 125,000 population, constitut

Bonds for school indebtedness
issued up to a value not to exceed
valuation by a majority of the vot
a value in excess of 10 percent of
ble vote of at least two-thirds of
the Board of Regents. These are s

Bonds for school indebtedness
125,000 population may be issued
State-equalized full property valu
having a value in excess of 5 perc
vote of 60 percent of the persons
is required. These are constitut

Bonds for school indebtedness
125,000 population may be issued
equalized property valuation, exce
bonded debt of 10 percent of the S
city. No approval of the voters

There is no limit to bonded
tricts in an emergency.

Voting requirements.--Persons
vote at school meetings are qualif
bond issues are held at special sc
general elections.

In city school districts of
maturity period of 5 years or less
of education without a vote of the

Approval and sale of bonds.--
board of education. In some city
has issued bonds for school indebt
be obtained but after the bond ele
public sale and at a fixed rate of
a State agency and no formal provi
of the bonds. Procedures for the
local finance law. Funds from the
needed may be invested.

Revenue

sessed valuations are established by local town, vil-
e generally chosen by popular election. In some
s are appointed. The State Board of Equalization
y to change assessments, but it does establish ratios

e ratios for each city, town, and village are deter-
roll by the State Board of Equalization and Assess-
lization and Assessment compiles sales data and
ty as a basis for its ratios. The Constitution pro-
be based on full value as determined by the State

also used to apportion school aid and some other
school districts to equalize their tax levies upon
sessment ratios are determined f each town within
school district boundaries. Sch l districts whose
st apply to their assessed valuation in each town
t town.

No definite countywide provisions are made for school
However, counties are permitted to levy nonproperty
l sales, utilities, sales of liquor, admissions,
s, use of passenger motor vehicles, and hotel oc-
erty taxes are approximately 1 percent in Erie
County. Where such taxes are levied, the proceeds
t of administration may be used for education and
the county on the basis of ADA or some other basis
ervisors.

districts outside of cities have no statutory tax
penses nor for debt service that may be levied by
meeting election.

s under 125,000 population, although fiscally inde-
evying a rate of taxation for current operating ex-
lls next above their actual rate for the year prior
ation was originally imposed (1950) without a 60
e people. Original limits ranged from 12.5 mills
imum allowable rate. These rates may be increased
e maximum limit of 20.0 mills is reached. Each in-
people and at least a year must elapse between such
the preceding 5-year average of State-equalized
tax rate for debt service is not included within

lation are fiscally dependent or subject to municipal
ional tax limitation of 20.0 mills on the preceding
zed full property valuation applies to all city ser-
Thus, the tax levy for schools is included within
limitation. The board of education in such cities
ropriate municipal authorities, who, in turn, react
es without a vote of the people and appropriate the
to operate the schools. The tax rate for debt is
ation. For New York City, the limitation is 25.0
rty valuations, also excluding debt service.

Provisions for School Indebtedness

Initiating bond issues.--Proposals to issue bonds are started in the local school districts by action of the local boards of education.

Limitations on issuance of bonds.--All bonds issued by local boards of education must be serial bonds. The maximum time limit for retirement of any of the serial bonds is 30 years from the date of issue.

Limitations on debt.--The limitations on school indebtedness are: for other than city school districts, statutory; in city school districts with less than 125,000 population, constitutional; and in city school districts with more than 125,000 population, constitutional.

Bonds for school indebtedness in other than city school districts may be issued up to a value not to exceed 10 percent of State-equalized full property valuation by a majority of the voters at an election. Bonds to be issued having a value in excess of 10 percent of full property valuation must secure a favorable vote of at least two-thirds of the persons voting and also the approval of the Board of Regents. These are statutory requirements.

Bonds for school indebtedness in city school districts with less than 125,000 population may be issued up to a value not to exceed 5 percent of State-equalized full property valuation by a majority vote. Bonds to be issued having a value in excess of 5 percent of full valuation must secure a favorable vote of 60 percent of the persons voting and approval of the Board of Regents is required. These are constitutional requirements.

Bonds for school indebtedness in city school districts with more than 125,000 population may be issued up to a value of 9 percent of the State-equalized property valuation, except for New York City which is limited to a bonded debt of 10 percent of the State-equalized property valuation for the city. No approval of the voters is required. These limits are constitutional.

There is no limit to bonded indebtedness which can be approved in all districts in an emergency.

Voting requirements.--Persons in a school district who are qualified to vote at school meetings are qualified to vote on bond issues. Elections on bond issues are held at special school, special nonschool, regular school, or general elections.

In city school districts of less than 125,000 inhabitants, bonds having a maturity period of 5 years or less may be issued on the authority of the board of education without a vote of the electors.

Approval and sale of bonds.--School bonds must be issued by the local board of education. In some city school districts, the municipal government has issued bonds for school indebtedness. State approval of bond issues must be obtained but after the bond election and not before. Bonds are sold at a public sale and at a fixed rate of interest. The bonds need not be offered to a State agency and no formal provisions exist for State assistance in the sale of the bonds. Procedures for the sale of the bonds are established in the local finance law. Funds from the sale of bonds which are not immediately needed may be invested.

Provisions for School Indebtedness-- Continued

Bond records, tax levies, and payments.--The local board of education is responsible for maintenance of bond records. Tax levies to retire the bonds must be voted at an annual or special school election prior to the issuance of the bonds. In all city school districts, the tax required to pay debt service is excluded from the tax limit for current expenditures established for these districts.

Short-term indebtedness.--School boards are permitted to borrow funds by issuing tax or revenue anticipation notes. The amount that may be borrowed is limited to the amount of taxes remaining uncollected and the amount of other revenue yet to be received. Under certain conditions, budget notes may be issued during the last 9 months of the fiscal year or within limitations established by law, to be repaid during the succeeding year. Capital notes may be issued for any purpose for which bonds may be issued but only after authorization by the voters, and they must be repaid by the end of the second fiscal year following the one during which they are used.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budgets for all districts are prepared by local school district officials on forms suggested and supplied on request by the State. They are not obligated, however, to use them and, in many instances, prepare forms of their own. The State fiscal year begins April 1 and ends March 31. The school fiscal year of the State begins July 1 and ends June 30. The fiscal year in a number of cities begins on different dates.

Local approval.--In districts other than city scho
be voted at the annual or special school district meeti
must be available in all school buildings seven days be
and their availability must be announced in published n
city school districts of less than 125,000 inhabitants,
quired but no approval by the voters is obtained. The
the budget after the hearing. In the six fiscally depe
budget is included in the municipal budget. Annual mee
budgets, except those in city school districts, are vot
Tuesday in May or the second Tuesday in July. Special
any time. In city school districts of less than 125,0
of education must adopt the budget not later than the
year.

State review or approval.--There is no statutory
filing of budgets with any State agency, but the State
request copies. There is no prescribed date of filing
State Education Department.

Provisions for School Audits

A continuing audit of the records of each distric
years is made approximately every 2 years by the State
Control. The cost of these audits is paid by the Stat
filed with the State Department of Audit and Control a
Department. Beginning in the school year 1964-65, the
provide an annual audit of its financial records by a
certified public assistant.

ontinued

ments.--The local board of education is re-
rds. Tax levies to retire the bonds must be
lection prior to the issuance of the bonds.
required to pay debt service is excluded
tures established for these districts.

boards are permitted to borrow funds by
tes. The amount that may be borrowed is
ng uncollected and the amount of other reve-
conditions, budget notes may be issued
year or within limitations established by
g year. Capital notes may be issued for any
but only after authorization by the voters,
the second fiscal year following the one

DITS

istricts are prepared by local school dis-
d supplied on request by the State. They are
nd, in many instances, prepare forms of their
ril 1 and ends March 31. The school fiscal
nds June 30. The fiscal year in a number of

Local approval.--In districts other than city school districts, budgets must be voted at the annual or special school district meeting. Copies of the budget must be available in all school buildings seven days before the annual meeting and their availability must be announced in published notices of the meeting. In city school districts of less than 125,000 inhabitants, a budget hearing is required but no approval by the voters is obtained. The board of education adopts the budget after the hearing. In the six fiscally dependent cities, the school budget is included in the municipal budget. Annual meeting dates at which time budgets, except those in city school districts, are voted on, are the first Tuesday in May or the second Tuesday in July. Special meetings may be held at any time. In city school districts of less than 125,000 population, the board of education must adopt the budget not later than the beginning of the fiscal year.

State review or approval.--There is no statutory regulation requiring the filing of budgets with any State agency, but the State Education Department does request copies. There is no prescribed date of filing the budget with the State Education Department.

Provisions for School Audits

A continuing audit of the records of each district for completed school years is made approximately every 2 years by the State Department of Audit and Control. The cost of these audits is paid by the State. Audit reports are filed with the State Department of Audit and Control and with the State Education Department. Beginning in the school year 1964-65, the board of education did provide an annual audit of its financial records by a public accountant or a certified public assistant.

NORTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

NORTH CAROLINA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. A. C. Davis, Controller, North Carolina State Board of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 76 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.
2. All State funds for the public schools are from legislative appropriation.
3. Of the State money provided for school district support, 92 percent is distributed through the Nine Months' School Fund. This fund provides the total amount required to pay professional staff salaries for State allotted position as specified in the State salary schedule and to pay the cost of pupil transportation and other current expenses.
4. State salary allowances for teachers range from $5,069 to $7,002 for the bachelor's degree and from $5,402 to $7,705 for the master's degree.
5. Three other State funds account for another 6.2 percent of the total amount for the State support program. Largest among these funds is the Vocational Education Fund. The other two funds are for free textbooks and for the purchase of school buses.
6. The balance, 1.8 percent of the State support program, is distributed through 4 additional funds and provides for instruction and training of trainable mentally handicapped children, professional improvement of teachers, education by television, and driver training.
7. State loans for capital outlay may be provided from the State Literary Fund on proper applications that are approved by the State Board of Education.

LOCAL SUPPORT

1. The basic tax levied specifically for the support of the local schools is the property tax. Approximately 83 percent of the local revenue for the public elementary and secondary schools is from this source.
2. Sources of local revenue other than property taxes including fines, forfeitures, penalties, and poll and dog taxes are designated for public school support by both constitutional and legislative provisions. Also, revenue is provided from interest earnings, donations, and intangible beer, wine, and ABC funds but these sources provide money for other governmental services, including education, and may be appropriated for school or other local governmental purposes.
3. There is no specified tax rate which the 100 county or city school districts must levy for participation in the Nine Months' School Fund. The State pays the total cost of the defined program. However, with approval and levy by the county commissioners, all school districts may supplement the amount provided by the State.
4. No maximum tax rate is specified for school purposes. All rates, including a maximum 6-mill local levy for current operating expenses above the local taxes required for the constitutional term, must be levied by the county commissioners to be effective, even though they might have voter approval in a local district.
5. School district indebtedness is limited to 5 or 8 percent of the local assessed valuation of taxable property, depending on the kind of district.
6. Debt service levies are not limited and are required to be adequate to meet debt service obligations.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements district pa for dis
Total	$367,785,056	(100.0%)		
NINE-MONTHS' SCHOOL FUND (Current expense, grades 1-12) (Ch. 115 of the General Statutes and State Board of Education Policy)	$338,233,664	(92.0%)		

Salaries.......................... Scheduled amount per allotted position filled:

	Type of Certificate	Monthly Salary Starting	Monthly Salary Maximum	Years to reach maximum
Teachers generally (9 months, 5 days)	Graduate	584	833	13
	Class A.	548	757	12
	Class B.	484	571	6
	Class C.	397	469	5
Vocational education teachers (9¼, 10, 11, and 12 months)...............	Graduate	607	872	13
	Class A.	571	797	12
	Provisional Vocational	558	784	12
	Provisional Class B.	504	596	6
Supervisors (10 months)......	Graduate	651	836	9
	Class A.	630	761	7

Building principals (9 months, 5 days)	Teachers' salary schedule plus $17, $33, $50, or $65 per month for 3, 4, 5, or 6 or more teachers, respectively.
Principals (10, 10½, 11 months, depending on type and size of school)..........	$686 to $822 per month with 7 to 8 teachers to as high as $957 to $1,092 per month with 42 or more teachers. Amounts supplemented for additional training.
Superintendent (12 calendar months)......................	$684 to $811 per month for ADM of 1,499 or less, and $1,251 to $1,378 per month for ADM of 30,000 and up. Also, add $30 per month for advanced superintendent's certificate.
Associate superintendent (12 calendar months).........	$859 to $987 per month. Add $30 per month for advanced certificate.
Assistant superintendent (12 calendar months)...... ..	$827 to $955 per month. Add $30 per month for advanced certificate.
Supplement for appropriate doctorate....................	$100 per month.

State share.--100 percent of calculated amount for State-allotted positions.

Local share.--State pays total calculated amount. Expenditures in excess of State program are permitted but are local obligation.

Requirements
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Districts m
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Distributio

or the public schools and for program participation

ate funds for school support, t allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$367,785,056 (100.0%)		
$338,233,664 (92.0%)		
amount per allotted position	**State share**.--100 percent of calculated amount for State-allotted positions. **Local share**.--State pays total calculated amount. Expenditures in excess of State program are permitted but are local obligation.	**Requirements for participation**.--Schools must be operated for a term of 9 months. Districts must observe all rules and regulations relating to the operation of schools as established by the State Board of Education. **Extent of participation**.--County districts, 100; special districts, 57. **Distribution**.--Monthly.

	Monthly Salary		Years to reach maximum
	Starting	Maximum	
	584	833	13
	548	757	12
	484	571	6
	397	469	5
	607	872	13
	571	797	12
nal nal nal	558	784	12
.	504	596	6
	651	836	9
	630	761	7

' salary schedule plus $17,
, or $65 per month for 3, 4, 5,
more teachers, respectively.

$822 per month with 7 to 8
to as high as $957 to $1,092
h with 42 or more teachers.
supplemented for additional
.

$811 per month for ADM of 1,499
and $1,251 to $1,378 per month
of 30,000 and up. Also, add
month for advanced superinten-
ertificate.

$987 per month. Add $30 per
r advanced certificate.

$955 per month. Add $30 per
r advanced certificate.

r month.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements fo district partic for distrib
NINE-MONTHS' SCHOOL FUND--continued			
Base allotment position........	Teaching positions are allotted to administrative units on the basis of ADA for the best continuous 6 months of the first 7 months, together with average daily absence due to contagious diseases for the same continuous 6 months, together with other pertinent attendance data.		
Elementary grades, 1-3..........	6 teachers for first 153 pupils, plus 1 teacher for each additional 27 pupils in ADA.		
Elementary grades, 4-8..........	6 teachers for first 171 pupils, plus 1 teacher for each additional 30 pupils in ADA.		
Secondary grades, 9-12..........	4 teachers for first 80 pupils for the first high school, 3 teachers for first 60 pupils for each additional high school, and 1 teacher for each additional 30 pupils in ADA.		
Additional allotment to administrative units.................	1 position per each 15 base-allotted positions.		
Special education...............	Teachers allocated in relation to smaller class sizes necessary to work with handicapped children.		
Exceptionally talented..........	Teachers allocated separately for instruction of exceptionally talented students.		
Pupil transportation............	Cost of approved service.		
School libraries................	$1 per pupil in ADA.		
Child health services...........	$750 per county and 39 cents per pupil in ADA.		
Instructional supplies..........	$1.75 per pupil in ADM.		
Clerical assistance.............	$1.75 per pupil in ADM.		
Superintendent's travel, clerical assistance, and office expense.........................	$240 to $792 per year for travel and $3,110 to $23,751 for clerical assistance, and $400 to $1,300 for office expense, depending on ADM and type of district.		
Plant operation.................	Amount per allotted teaching position averaging $329.16. Funds for fuel determined in relation to geographical operation.		

NORTH CAROLINA

c schools and for program participation

r school support,	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
allotted to ad- the basis of ADA s 6 months of the er with average ontagious diseases s 6 months, to- inent attendance		
53 pupils, plus 1 ional 27 pupils i		
71 pupils, plus 1 ional 30 pupils		
0 pupils for the eachers for first itional high for each addi- A.		
base-allotted		
relation to small- ry to work with		
arately for in- ally talented		
ce.		
cents per pupil		
.		
.		
or travel and lerical assist- 00 for office ex- and type of		
ching position ds for fuel de- geographical		

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and extent district participation and for distributing State
NINE-MONTHS' SCHOOL FUND--continued.			
County Board of Education expenses and per diem.............	$100 per county.		
Public school services for pupils enrolled in nonprofit private schools.................	Pupils enrolled in private schools may not be concurrently enrolled in a public school (so-called shared-time or dual-enrollment) and so are not counted in the amount of State aid for which a district may qualify.		
VOCATIONAL EDUCATION FUND (Art. 27 of Ch. 115 of the General Statutes and State Board of Education Policy.)	$11,507,953 (3.1%)		
	Amount of supervisors' and teachers' salaries for vocational education plus allowable expenses for travel and for teaching materials and equipment for Vocational Education programs.	State share.--From 65 to 75 percent of approved amount is paid from this fund which includes an estimated $5,861,782 provided by the Federal Government. Local share.--All costs not covered by reimbursement.	Requirements for participa tain high school vocationa which meet standards presc plan for vocational educat Extent of participation.-- tricts. Distribution.--Quarterly a
FREE TEXTBOOK FUND (Arts. 25 and 26 of Ch. 115 of the General Statutes and State Board of Education Policy.)	$8,613,445 (2.3%)		
Elementary school...............	Basal books as needed plus $2 per pupil in ADM.	State share.--100 percent of calculated amount. State purchases and arranges distribution of books ordered by districts. Local share.--None.	Requirements for participa books included on State-ad mit necessary requisitions sary reports. Extent of participation.-- tricts. Distribution.--In purchase are recieved, approved, ar
High school......................	$5 per pupil in ADM.		
DRIVER TRAINING FUND (Sec. 20-88.1 of the General Statutes and State Board of Education Policy.)	$5,115,674 (1.4%)		
	Distribution based on local plans for training and State-approved budget.	State share.--100 percent of calculated amount. Local share.--Cost may be supplemented locally.	Requirements for particip tricts submit local plans ing program with estimated reviewed and approved at S Extent of participation.- tricts.
SCHOOL BUS FUND (Art. 22 of Ch. 115 of the General Statutes and State Board of Education Policy.)	$2,843,345 (0.8%)		
	Cost of replacing bus.	State share.--100 percent of cost. Local share.--None of replacement cost.	Requirements for particip school units must pay for each approved bus route. Extent of participation.- tricts. Distribution.--As new bus to replace old buses.

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for the public schools and for program participation

State funds for school support, ict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
r county. enrolled in private schools may concurrently enrolled in a public (so-called shared-time or dual- ent) and so are not counted in unt of State aid for which a dis- ay qualify. $11,507,953 (3.1%)		
of supervisors' and teachers' s for vocational education plus le expenses for travel and for g materials and equipment for nal Education programs. $8,613,445 (2.3%)	State share.--From 65 to 75 percent of approved amount is paid from this fund which includes an estimated $5,861,782 provided by the Federal Government. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Must maintain high school vocational departments which meet standards prescribed in the State plan for vocational education. Extent of participation.--157 school districts. Distribution.--Quarterly as reimbursement.
ooks as needed plus $2 per pupil pupil in ADM. $5,115,674 (1.4%)	State share.--100 percent of calculated amount. State purchases and arranges distribution of books ordered by districts. Local share.--None.	Requirements for participation.--Use textbooks included on State-adopted list, submit necessary requisitions, and file necessary reports. Extent of participation.--157 school districts. Distribution.--In purchased books as orders are recieved, approved, and filled.
ution based on local plans for ng and State-approved budget. $2,843,345 (0.8%)	State share.--100 percent of calculated amount. Local share.--Cost may be supplemented locally.	Requirements for participation.--School districts submit local plans for driver training program with estimated cost. Plans are reviewed and approved at State level. Extent of participation.--157 school districts.
f replacing bus.	State share.--100 percent of cost. Local share.--None of replacement cost.	Requirements for participation.--County school units must pay for original bus for each approved bus route. Extent of participation.--157 school districts. Distribution.--As new buses are delivered to replace old buses.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Re di
INSTRUCTION AND TRAINING FOR TRAINABLE MENTALLY HANDICAPPED CHILDREN FUND (Art. 36 of Ch. 115 of the General Statutes and State Board of Education Policy.)	$1,185,672 (0.4%)		
	Standard per pupil allowance of $630 per year.	State share.--100 of calculated amount. Local share.--All additional costs not covered by this distribution.	Req an Ext Dis
PROFESSIONAL IMPROVEMENT OF TEACHERS' FUND (State Board of Education Policy.)	$ 157,458 (0.0%)		
	For college credit courses maximum reimbursement is the established tuition and fees up to a maximum for one semester hour of $450; 2 hours, $900; and 3 hours, $1,350. For noncollege credit programs with 25 or more teachers, payment for one unit is $375; 2 units, $750 and 3 units, $1,125 plus travel and subsistence of approved instructors. $15 per teacher per unit is paid in programs with less than 25 teachers.	State share.--100 percent of calculated amount. Local share.--All other program costs.	Reg a p and app Ext tri Dis
PROGRAM OF EDUCATION BY TELEVISION FUND (State Board of Education Policy.)	$ 127,845 (0.0%)		
	Cost of program.	State share.--100 percent of cost. Local share.--None, except to purchase and maintain TV sets.	Rec Ext tri

NORTH CAROLINA

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nds for the public schools and for program participation

f State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$1,185,672 (0.4%)		
ard per pupil allowance of $630 ear.	State share.--100 of calculated amount. Local share.--All additional costs not covered by this distribution.	Requirements for participation.--Provide an authorized training center. Extent of participation.--82 schools. Distribution.--Monthly.
$ 157,458 (0.0%)		
llege credit courses maximum re- sement is the established tuition ees up to a maximum for one semes- our of $450; 2 hours, $900; and 3 , $1,350. For noncollege credit ms with 25 or more teachers, pay- for one unit is $375; 2 units, $750 units, $1,125 plus travel and subsistence of approved instructors. $15 eacher per unit is paid in programs less than 25 teachers.	State share.--100 percent of calculated amount. Local share.--All other program costs.	Requirements for participation.--Submit a plan for local improvement of teachers and obtain State Board of Education approval. Extent of participation.--157 school districts. Distribution.--As courses are completed.
$ 127,845 (0.0%)		
of program.	State share.--100 percent of cost. Local share.--None, except to purchase and maintain TV sets.	Requirements for participation.--None. Extent of participation.--90 school districts.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations are established by county assessors appointed by a tax supervisor who serves by appointment of the county commissioners except that the State Board of Assessment establishes valuations for certain properties of public utilities. Local property assessments are subject to review or change by the State Tax Board upon appeal from local assessment.

Intermediate districts.--None.

Local districts.--In North Carolina, there are 100 county school districts and city school districts. All of these are local school administrative units. The county commissioners are required to levy taxes for the constitutional school term. There is no limit placed on this levy and it does not require electoral approval. An additional 6-mill levy for current operating expense can be voted by the people but is not effective until it is levied by the county commissioners or city council. Debt service levies are mandatory and are approved to care for the debt service requirements of bonds which have been legally issued by the county. Local nonproperty tax sources of revenue for public school purposes include fines, forfeitures, penalties, and poll and dog taxes. Receipts from interest earnings, donations, and intangible beer, wine, and ABC funds, also provide money for the schools to the extent that such receipts may be appropriated for this purpose by the counties.

Provisions for School Indebtedness

Initiating bond issues.--School bond issues are usually initiated by the boards of education.

Limitations on issuance of bonds.--School bonds are generally serial bonds rather than sinking fund bonds. The maximum number of years for which bonds may be issued ranges from 20 years for nonfire-resistant construction to 40 years for buildings constructed of masonry and steel.

Limitations on debt.--School bonds may be issued for capital outlay purposes by any county school district following approval of the issue by popular election. Bonds may be issued up to 5 percent of the local assessed valuation. In counties which have assumed the debt of cities and school districts, the limitation is 8 percent of the taxable valuation. No agency may approve greater amounts. The Constitution provides that bonds may be issued without a vote of the people to the extent of two-thirds of the amount by which the debt was reduced the preceding year.

Voting requirements.--Bonds which require a vote must be approved in a special election by a majority of the qualified electors who vote in the election.

Approval and sale of bonds.--All proposals for county or city school district bond issues must be approved by the Local Government Commission of the State prior to the sale of bonds. Bonds are commonly sold on a yield basis. They are not offered first to any State agency before being
Local Government Commission, a State agency, as
Funds from the sale of bonds not immediately ne

Bond records, tax levies, and payments.--S
school bond records and determine the annual am
county auditor who is responsible for debt serv
County commissioners are required to make the n
funds for debt service unless smaller amounts a
permitted by the Local Government Commission.

Short-term indebtedness.--County commissio
ing funds when revenues are not available to me
Such loans are limited to the amounts in the ap
mandatory within the current fiscal year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--All budgets are prepared on
The fiscal year begins July 1 and ends June 30

Local approval.--Budgets are prepared by t
superintendents upon the advice and instruction
tion. There is no requirement for posting or p
must be adopted by July 10. After approval by
budgets are presented to the county commissione
approve or change them. Tax levies required to
erally made by the county commissioners, but th
council.

State review or approval.--Approved budge
tricts are filed with the State Board of Educa
only. There is no State review or approval.

Provisions for School Audits

School audits covering the expenditure of
are required to be made annually by an indepen
of these audits is borne by the local school s
audit is required to be filed with the State B
Superintendent of Public Instruction, and the

aluations are established by county assessors
es by appointment of the county commissioners
ent establishes valuations for certain prop-
perty assessments are subject to review or
eal from local assessment.

na, there are 100 county school districts and
re local school administrative units. The
evy taxes for the constitutional school term.
and it does not require electoral approval.
operating expense can be voted by the people
d by the county commissioners or city council.
are approved to care for the debt service re-
gally issued by the county. Local nonproperty
ol purposes include fines, forfeitures, penal-
s from interest earnings, donations, and in-
so provide money for the schools to the extent
for this purpose by the counties.

ond issues are usually initiated by the

.--School bonds are generally serial bonds
aximum number of years for which bonds may be
re-resistant construction to 40 years for build-
l.

ds may be issued for capital outlay purposes
g approval of the issue by popular election.
f the local assessed valuation. In counties
and school districts, the limitation is 8 per-
ency may approve greater amounts. The Consti-
sued without a vote of the people to the extent
the debt was reduced the preceding year.

h require a vote must be approved in a special
ed electors who vote in the election.

proposals for county or city school district
ocal Government Commission of the State prior
only sold on a yield basis. They are not

offered first to any State agency before being offered to the public. The Local Government Commission, a State agency, assists with the sale of bonds. Funds from the sale of bonds not immediately needed may be invested.

Bond records, tax levies, and payments.--School officials usually keep all school bond records and determine the annual amount of funds required. The county auditor who is responsible for debt service levies also keeps a record. County commissioners are required to make the necessary tax levies to obtain funds for debt service unless smaller amounts are adequate because of refunding permitted by the Local Government Commission.

Short-term indebtedness.--County commissioners are responsible for borrowing funds when revenues are not available to meet current operating expenses. Such loans are limited to the amounts in the approved budgets. Repayment is mandatory within the current fiscal year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--All budgets are prepared on forms prescribed by the State. The fiscal year begins July 1 and ends June 30.

Local approval.--Budgets are prepared by the respective county and city superintendents upon the advice and instruction of the local boards of education. There is no requirement for posting or publishing a budget and budgets must be adopted by July 10. After approval by the boards of education, the budgets are presented to the county commissioners who have the authority to approve or change them. Tax levies required to support the budgets are generally made by the county commissioners, but they may be made by the city council.

State review or approval.--Approved budgets of county and city school districts are filed with the State Board of Education as a matter of information only. There is no State review or approval.

Provisions for School Audits

School audits covering the expenditure of county and local school funds are required to be made annually by an independent auditing agency. The cost of these audits is borne by the local school systems involved. A copy of the audit is required to be filed with the State Board of Education, the State Superintendent of Public Instruction, and the Local Government Commission.

NORTH DAKOTA
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

NORTH DAKOTA PUBLIC SCHOOL FINANCE PROGRAM, 1968, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. H.J. Snortland, Assistant Superintendent, Finance, North Dakota State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 30.6 percent of the nonfederal revenue for public elementary and secondary schools, including only State, county, and local revenue receipts, is provided from State grant distributions.
2. Nearly 13 percent of the State money distributed for public school support is from the State permanent school fund. The balance is appropriated from the State general fund.
3. About 87 percent of the State money distributed to school districts is for a foundation program of 50 percent of $440 per pupil for current expense and an allowance of fourteen cents per bus mile, round trip, for pupil transportation.
4. Slightly more than 10 percent of the State grant distribution money for elementary and secondary schools is allocated in proportion to the number of children 6 to 21 years of age in each school district. This money for current expense purposes is in addition to the foundation program amount.
5. The remainder of State grants for schools is distributed through three separate funds for financial emergencies, special education, and vocational education.

LOCAL SUPPORT

1. Property taxes for school support are levied by both the counties and the local school districts. Also, districts may levy a $1 per adult per capita tax. County oil and gas taxes provide additional revenue for schools.
2. Local school districts provide approximately 65 percent of the county and local district school revenue; counties provide 35 percent.
3. Each county is required to establish a county equalization fund and levy a 21-mill tax in order to participate in the apportionment of the State Foundation Program Fund. No vote is required for the legislature-authorized county tax levies for schools. Upon vote by the people, a district may also levy 3 mills for a special reserve fund.
4. Local taxes for the general fund are limited to a normal maximum of 19 to 34 mills, without voter approval, depending on the kind of school district. With voter approval, these limits are increased 75 percent.
5. Local district-bonded indebtedness for schools is limited to 10 percent of the district's assessed valuation.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements district par for dist
Total	$25,397,000 (100.0%)		
FOUNDATION PROGRAM FUND (Title 15, Ch. 40, sec. 14, 24, NDCC)	$22,077,000 (86.9%)	State share--Calculated amount minus receipts from the required county tax. Local share--21.0-mill county tax on the assessed valuation. Receipts from P.L. 874 are not reflected in determining the amount of State support.	Requirements needed inform with laws and mill tax of for State-de Extent of par school distri Distributed February 15, May 15.
Current expense, grades 1-12....	50 percent of $440 per weighted pupil in average daily membership (ADM).		
One-room schools............	1.25 weighted pupils for each of the first 16 students in ADM with no allowance for pupils in excess of 20.		
Other small elementary schools of less than 100 ADM..................	1.00 weighted pupils for each of the first 20 pupils with 1.0 weighted pupils for each additional student in ADM. No allowance for pupils in excess of 35 per teacher.		
Other elementary schools.....	.9 weighted pupils per student in ADM. No allowance for pupils in excess of 30 per teacher.		
High schools................	1.32 weighted pupils per student in ADM.		
Pupil transportation.........	$.14 per bus mile round trip.		
Services for pupils enrolled in nonprofit private schools.	There is no provision to allow pupils to enroll concurrently in a private and a public school or to count private school pupils in determining the State allocations for this fund.		
TUITION FUND (Title 15, Ch. 44, sec. 01-3, N.D.C.C.)	$ 2,665,000 (10.5%)		
Nonrestricted school use........	Amount per child, 6-21 years of age, inclusive.	State share--100 percent of calculated amount distributed is income of State permanent school fund, fines, and penalties. Local share--None.	Requirements school censu age and unde Extent of pa tricts. Distributed
SPECIAL EDUCATION FUND (Title 15, Ch. 59, sec. 05-11, N.D.C.C.)	$ 450,000 (1.8%)		
Special education..............	Cost of providing service not to exceed $300 per participant child for instruction and $500 per child for transportation, equipment, and residential care. Allowance varies for different kinds of exceptionality.	State share--100 percent of calculated amount as funds allow. Local share--All costs not covered by reimbursement.	Requirements children und need of serv vided in the tricts must Extent of pa tricts. Distributed

lic schools and for program participation

for school support, es	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
397,000 (100.0%)		
077,000 (86.9%) per weighted pupil in rship (ADM). s for each of the n ADM with no allow- excess of 20. s for each of the n 1.0 weighted pupils student in ADM. No s in excess of 35 per per student in ADM. pils in excess of 30 s per student in ADM. und trip. on to allow pupils to in a private and a count private school ng the State alloca- .	State share--Calculated amount minus receipts from the required county tax. Local share--**21.0**-mill county tax on the assessed valuation. Receipts from P.L. 874 are not reflected in determining the amount of State support.	Requirements for participation--Provide needed information and reports; comply with laws and regulations; levy a 21-mill tax of which 20.5 mills is counted for State-defined program. Extent of participation--438 operating school districts. Distributed on **September 25, December 15,** February 15, March 31, April 15, and May 15.
,665,000 (10.5%) -21 years of age,	State share--100 percent of calculated amount distributed is income of State permanent school fund, fines, and penalties. Local share--None.	Requirements for participation--Take a school census of all children 20 years of age and under, in odd-numbered years. Extent of participation--498 school districts. Distributed quarterly.
450,000 (1.8%) ervice not to exceed t child for instruc- hild for transporta- d residential care. r different kinds of	State share--100 percent of calculated amount as funds allow. Local share--All costs not covered by reimbursement.	Requirements for participation--Educable children under 20 years of age must be in need of services and facilities not provided in the usual school facilities. Districts must apply for participation. Extent of participation--215 school districts. Distributed at the end of the school year.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares fo the calculated State prog
VOCATIONAL EDUCATION FUND $ 205,000 (0.8%) (Title 15, Ch. 40, sec. 04, N.D. C.C.)	
Vocational education........... Cost of approved program and application	State share--Percent of cost Federal funds are provided i the amount of State aid list Local share--All costs not c bursement.
EMERGENCY FUND $ -- (--) (Title 15, Ch. 40, sec. 05-11, N.D.C.C.)	
Emergency...................... Amount needed.	State share--100 percent of Local share--Levy a tax 50 p normal maximum; have exhaust from local, State, and count be unable to sell certificat ness.
	District
	4-year high school 3-year high school 2-year high school 2-or more-teacher elementary schools 1-room school
LOAN FUND	
SCHOOL CONSTRUCTION FUND $ 6,655,000 (Title 15, Ch. 60, N.D.C.C.)	
School construction............ Amount of loan request.	State share--100 percent app to $400,000 maximum per dist outstanding total $6,655,000 1965. Local share--District must r tee 10-mill building fund le interest at 2.5 percent.

NORTH DAKOTA

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ate Funds for the public schools and for program participation

<table>
<tr><th>rcent of State funds for school support, of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>$ 205,000 (0.8%)
Cost of approved program and application</td><td>State share--Percent of cost as funds allow. Federal funds are provided in addition to the amount of State aid listed.
Local share--All costs not covered by reimbursement.</td><td>Requirements for participation--High school must offer approved vocational education courses and meet program requirements.
Extent of participation--124 school districts.
Distributed at the end of the school year.</td></tr>
<tr><td>$ -- (--)
.)
Amount needed.</td><td>State share--100 percent of approved amount.
Local share--Levy a tax 50 percent above the normal maximum; have exhausted all revenue from local, State, and county sources; and be unable to sell certificates of indebtedness.
<table>
<tr><th>District</th><th>Normal maximum</th></tr>
<tr><td>4-year high school</td><td>34</td></tr>
<tr><td>3-year high school</td><td>24</td></tr>
<tr><td>2-year high school</td><td>21</td></tr>
<tr><td>2-or more-teacher elementary schools</td><td>22</td></tr>
<tr><td>1-room school</td><td>19</td></tr>
</table></td><td>Requirements for participation--District budget must be approved by the State Department of Public Instruction and show a reasonable pupil-teacher ratio.
<table>
<tr><th>Number of teachers</th><th>Pupil-teacher ratio (Minimum)</th></tr>
<tr><td>7 or more</td><td>1 to 22</td></tr>
<tr><td>Smaller districts except rural</td><td>1 to 20</td></tr>
<tr><td>Rural districts</td><td>1 to 6</td></tr>
</table>
Minimum 4-year high school enrollment of 25 and 15 for a 2-year high school.
Extent of participation--None.
Distributed monthly.</td></tr>
<tr><td>$ 6,655,000
Amount of loan request.</td><td>State share--100 percent approved amount up to $400,000 maximum per district. Loans outstanding total $6,655,000 as of July 1, 1965.
Local share--District must repay loan from tee 10-mill building fund levy and pay interest at 2.5 percent.</td><td>Requirements for participation--District must have bonds outstanding in an amount equal to at least 10 percent of the assessed valuation, have a 10-mill building fund levy, and need the requested classrooms. Requested loans may not be used for auditoriums or gymnasiums except where entire school plant is destroyed or such space is considered part of the total plant.
Extent of participation--84 school districts.
Distributed--When loan is approved and loan requirements have been satisfied.</td></tr>
</table>

LOCAL SUPPORT, 1968

Provisions for Raising School Revenue

Property assessments.--Property valuations are established by local assessors who are appointed in the larger towns and cities and elected in other areas. County commissioners, acting as a county board of equalization to equalize assessments between organized townships and guided by the State Tax Commissioner, may change assessments. The State Board of Equalization has authority to equalize assessments between counties.

Counties.--A county 21-mill property tax levy for schools is required to be levied in all counties. In addition, a per capita tax of $1.00 on each adult is levied for school purposes. In effect, these revenues constitute a county equalization fund. No vote is necessary for these levies since they are required by statute.

Local districts.--The maximum local tax rate which may be levied without electoral approval is 34 mills for a 4-year high school district, 24 mills for a 3-year high school district, 21 mills for a 2-year high school district, 22 mills for an elementary district with two or more teachers, and 19 mills for a one-room school district. All of these levies may be increased as much as 75 percent when approved by district voters. Also, each school board may create and levy up to 3 mills for a "special reserve fund." Whenever the school board has insufficient money to meet teachers' salaries, fuel, light, and heat bills, it may borrow from the special reserve fund but must repay the fund as soon as the general fund tax levy is received. Tax levy limitations apply to local assessments as equalized.

Provisions for School Indebtedness

Initiating bond issues.--School districts have complete responsibility for initiating bond issues.

Limitations on issuance of bonds.--Serial bonds are required and they may be issued for a maximum of 20 years.

Limitations on debt.--Statutes provide a legal debt limit of 5 percent of the assessed valuation, except where the voters elect to increase the limitation of their indebtedness to 10 percent. A majority vote is required to increase the limit. No State executive agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements.--Generally, a favorable vote of two-thirds of the qualified electors participating in a special bond election is necessary before bonds can be issued. However, if a school district has a population of more than 5,000 or a building has been destroyed by fire, wind, explosion, or other cause, a 60 percent majority is adequate.

Approval and sale of bonds.--Bonds, usually sold on a fixed interest basis, must be first offered to a State agency. The State does not, however, assist with the sale of bonds. There is a statute allowing the investment of funds from the sale of bonds that are not immediately needed.

Bond records, tax levies, and payments.--Tax
authorized over and above those for the current
urer may be custodian of the sinking and inter
records and is responsible for the payment of the
treasurer performs these functions.

Short-term indebtedness.--School districts m
reserve fund" and they may also sell certificate
current general fund tax and 50 percent of the p
collected taxes. School boards are permitted to

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--The State prescribes and furn
districts. The school fiscal year, which begins
the same as the State fiscal year.

Local approval.--The annual school budget is
officials and completed at the annual meeting in
that has within its boundaries an incorporated v
budget and bond proposal to the Board of Budget
responsibility and authority to review, examine,
the budget. This budget is required to be submi
dent who certifies it to the county auditor by t
levying of taxes. The county auditor must make
by law. There is no requirement to publish or p

State review or approval.--Budgets for all d
participate in the Emergency Fund are required t
Department of Public Instruction for review and
budget deficits. There is no prescribed date fo
the State.

Provisions for School Audits

Annual audits are required for all school di
500 or more. Small districts are required to ha
years. State law requires the State examiner to
school districts but independent auditing agenci

stablished by local asses-
s and elected in other
rd of equalization to
guided by the State Tax
rd of Equalization has

r schools is required to be
ax of $1.00 on each adult is
es constitute a county
levies since they are required

ich may be levied without
hool district, 24 mills for
high school district, 22
eachers, and 19 mills for a
be increased as much as
each school board may create
" Whenever the school board
uel, light, and heat bills,
t repay the fund as soon as
mitations apply to local

complete responsibility for

are required and they may

debt limit of 5 percent of
ct to increase the limita-
ty vote is required to in-
e authority to fix the debt
.

te of two-thirds of the
election is necessary before
has a population of more
, wind, explosion, or other

d on a fixed interest basis,
does not, however, assist
g the investment of funds
ded.

Bond records, tax levies, and payments.--Tax levies for debt service must be authorized over and above those for the current school program. The county treasurer may be custodian of the sinking and interest fund, maintains the bond records and is responsible for the payment of the bonds or the local district treasurer performs these functions.

Short-term indebtedness.--School districts may borrow from their "special reserve fund" and they may also sell certificates of indebtedness against their current general fund tax and 50 percent of the past 4 years' unencumbered, uncollected taxes. School boards are permitted to issue registered warrants.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--The State prescribes and furnishes budget forms for all the districts. The school fiscal year, which begins July 1 and ends June 30, is the same as the State fiscal year.

Local approval.--The annual school budget is prepared by local school officials and completed at the annual meeting in July. Every school district that has within its boundaries an incorporated village or city must submit its budget and bond proposal to the Board of Budget Review. This board has the responsibility and authority to review, examine, approve, disapprove, or modify the budget. This budget is required to be submitted to the county superintendent who certifies it to the county auditor by the last day of July for the levying of taxes. The county auditor must make the levy certified as permitted by law. There is no requirement to publish or post school budgets.

State review or approval.--Budgets for all districts which expect to participate in the Emergency Fund are required to be submitted to the State Department of Public Instruction for review and approval to show anticipated budget deficits. There is no prescribed date for filing the budgets with the State.

Provisions for School Audits

Annual audits are required for all school districts with a population of 500 or more. Small districts are required to have an audit once every three years. State law requires the State examiner to make examinations of these school districts but independent auditing agencies may be used.

OHIO

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

OHIO PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. John M. Parsons, Director, Division of School Finance, Ohio State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 33 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.

2. About .1 of 1 percent of the State support money is derived from the income earned by the State permanent school endowment fund and the other 99.9 percent is provided through legislative appropriation.

3. Over 94 percent of the State money for public elementary and secondary schools is distributed through the provisions of the Foundation Program Fund which includes allowances for instructional staff salaries, local district contributions to the State teachers' retirement system, pupil transportation, and other current expenses.

4. State foundation program salary allowances ranges from $4,300 for teachers with less than a bachelor's degree and no experience to $8,500 for teachers with a master's degree and 12 years' experience. The foundation program salary allowance for a teacher with a bachelor's degree ranges from $5,000 with no experience to $7,200 with 11 years' experience

LOCAL SUPPORT

1. Approximately 91 percent of the locally derived school revenue is from property taxes. The other 9 percent includes receipts from interest on bank deposits, school lunches, and other miscellaneous items. There are no authorized nonproperty taxes for school support.

2. Local school districts are required to levy a tax on locally assessed valuation of real and personal property for participation in the State Foundation Program. The amount of this required levy is 10 mills until December 31, 1968, and 17.5 mills starting in January 1, 1969. A 17.5-mill rate is used in determining the amount of the local contribution "charge off."

3. Taxes on local district property in excess of 10 mills require electoral approval.

4. School bonds may generally be issued up to 9 percent of the assessed valuation of the district.

5. Taxes for debt service are separately levied and are outside of limitations otherwise specified for current operating revenue.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

<table>
<tr><th colspan="2">Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requ
dis</th></tr>
<tr><td>Total . . . .</td><td>$468,609,044 (100.0%)</td><td></td><td></td></tr>
<tr><td>FOUNDATION PROGRAM FUND (All sections cited refer to the Ohio Revised Code) (Secs. 3317.01 - 3317.15)</td><td>$443,439,544 (94.6%)</td><td></td><td></td></tr>
<tr><td>Basic Allowance ($404,020,156).. (Secs. 3317.01, 3317.02, 3317.04, 3317.05, and 3317.06)</td><td>1. Salaries of certificated employees: scheduled amount per employee for each allowed teacher unit based on training and experience:
<table>
<tr><th>Training</th><th>Base salary</th><th>Annual increment</th><th>Maximum years</th></tr>
<tr><td>No degree</td><td>$4,300</td><td>$180</td><td>10</td></tr>
<tr><td>BA</td><td>5,000</td><td>200</td><td>11</td></tr>
<tr><td>5 years</td><td>5,200</td><td>225</td><td>11</td></tr>
<tr><td>MA</td><td>5,500</td><td>250</td><td>12</td></tr>
</table>
2. Extended term:
Proportional increase in scheduled amount.

3. Teacher units; grades 1-12 and part-time students:
One unit per each 30 pupils in ADM; part-time students on pro-rate basis.

4. Kindergarten:
One unit per each 60 pupils in ADM.

5. Vocational units:
Units as approved.

6. Deaf, blind, emotionally disturbed, crippled; Units as approved.

7. Slow learners: Units as approved.

8. Child study: Units as approved.

9. Administrative and Special Instruction One unit for each 8 basic teacher units or fraction. Also one supervisory unit for the first 50 basic teacher units plus another such unit for each additional 100 basic units. Supervisory units are allocated to the county office except for city and exempted village districts.

10. Teacher retirement: 13 percent of total salary allowance.

11. Current expense other than staff salaries and pupil transportation: $2,425 per teacher unit.</td><td>State share.--Calculated amount minus local share, plus $1,000 times approved units for vocational; deaf, blind, emotionally disturbed, crippled; and slow learning. Each district guaranteed a minimum of $3,050 per teacher unit plus $1,000 times approved units for vocational, DBEC, and slow learning. Various guarantees are made to districts that would be adversely affected by changes in the Foundation Program law, reassessment of property, or district reorganization.

Local share.--Calculated yield of a 17.5-mill tax on the locally assessed valuation. Receipts from P.L. 874 for federally affected areas are not included in this calculated share.</td><td>Requ
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the public schools and for program participation

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t 50 basic teacher units plus
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Supervisory units are allo-
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Local share.--Calculated yield of a 17.5-mill tax on the locally assessed valuation. Receipts from P.L. 874 for federally affected areas are not included in this calculated share.</td>
<td>Requirements for participation.--Levy of not less than 10 mills until December 31, 1968. Levy of not less than 17.5 mills after January 1, 1969.

Extent of participation.--683 school districts.

Distribution.--Monthly.</td></tr>
</table>

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
FOUNDATION PROGRAM FUND--continued		
Pupil Transportation ($28,600,000) (Sec. 3317.051)	Sixteen dollars per pupil transported by board-owned vehicles. Twenty-two dollars to $28 per average daily mile for board-owned vehicles, depending on road condition. Eighteen dollars per student and $29-$37 per daily mile for contractor-operated vehicles. Thirty-six dollars per pupil per year for those transported by public carrier. Eligible nonpublic students are transported by public school districts under the same reimbursement formulas.	State share.--Total approved cost as established by formula calculation. Such amounts are part of the basic allowance calculations and subject to the 17.5-mill local charge-off. Minimum aid districts ($3,050 per unit) do not share in this calculation except for nonpublic transportation. Local share.--Any excess beyond the approved amounts as established by formulas.
Bus Purchase Subsidy ($4,685,000) (Secs. 3317.07, 3327.01)	Percentage established for each district receiving equalization funds under basic allowance. Subsidy limited to percentage of established State ceiling price for various capacity buses.	State share.--Based upon financial need as measured by the tax valuation per pupil in ADM, grades 1-12. Varies from 27 percent to 82 percent. The State Board of Education establishes the percentage for the purchase of buses used in nonpublic transportation. Minimum aid districts share in this subsidy. Local share.--Balance of cost.
Guidance, Testing and Counseling ($300,000) (Sec. 3317.06)	Calculated in accordance with NDEA, Title V requirements.	State share.--No separate calculation. Certificated employees are included in certified salary allowance calculations. Local share.--Balance of program cost beyond subsidy and foundation calculations.
Children of Migrant Workers ($45,000) (Sec. 3317.06)	Number of such pupils in approved programs divided into annual appropriation.	State share.--Limited to per pupil subsidy as calculated. Local share.--Balance of cost.
Vocational Education ($5,789,388) (Secs. 3317.02, and 3317.16)	Salary allowance for joint vocational district as calculated under section 3317.02; 13 percent of salary allowance for retirement plus as amount for adult technical and vocational education and educational consultants; $1,000 times the number of approved vocational units; additional amounts used to match Federal funds in vocational areas.	State share.--Calculated amount and matching funds requirement. Local share.--Balance of joint vocational school costs paid through tax levy on real and personal property in the participating districts.

OHIO

1968-69--continued

e funds for the public schools and for program participation

nt of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ixteen dollars per pupil transported board-owned vehicles. Twenty-two llars to $28 per average daily mile r board-owned vehicles, depending on ad condition. Eighteen dollars per udent and $29-$37 per daily mile for ntractor-operated vehicles. Thirty- x dollars per pupil per year for those ansported by public carrier. Eligible npublic students are transported by blic school districts under the same imbursement formulas.	State share.--Total approved cost as established by formula calculation. Such amounts are part of the basic allowance calculations and subject to the 17.5-mill local charge-off. Minimum aid districts ($3,050 per unit) do not share in this calculation except for nonpublic transportation. Local share.--Any excess beyond the approved amounts as established by formulas.	Requirements for participation.--Must receive equalization payments under basic allowance to receive funds for transporting public students. All districts qualified to participate in program receive funds for transporting nonpublic students. Extent of participation.--683 school districts. Distribution.--Monthly, with other foundation funds.
rcentage established for each district ceiving equalization funds under basic lowance. Subsidy limited to percentage established State ceiling price for rious capacity buses.	State share.--Based upon financial need as measured by the tax valuation per pupil in ADM, grades 1-12. Varies from 27 percent to 82 percent. The State Board of Education establishes the percentage for the purchase of buses used in nonpublic transportation. Minimum aid districts share in this subsidy. Local share.--Balance of cost.	Requirements for participation.--Only districts receiving equalization funds may participate in regular percentage subsidy. Extent of participation.--441 school districts. Distribution.--When delivery is made.
lculated in accordance with NDEA, tle V requirements.	State share.--No separate calculation. Certificated employees are included in certified salary allowance calculations. Local share.--Balance of program cost beyond subsidy and foundation calculations.	Requirements for participation.--Program approved by State Board of Education. Extent of participation.--458 school districts. Distribution.--Monthly.
mber of such pupils in approved proams divided into annual appropriation.	State share.--Limited to per pupil subsidy as calculated. Local share.--Balance of cost.	Requirements for participation.--Regular school subjects must be offered. Children do not attend school in Ohio during the entire school year. Extent of participation.--No planned programs for 1968-69. Distribution.--Funds will not be distributed during 1968-69.
lary allowance for joint vocational strict as calculated under section 17.02; 13 percent of salary allowance r retirement plus as amount for adult chnical and vocational education and ucational consultants; $1,000 times e number of approved vocational units; ditional amounts used to match Federal nds in vocational areas.	State share.--Calculated amount and matching funds requirement. Local share.--Balance of joint vocational school costs paid through tax levy on real and personal property in the participating districts.	Requirements for participation.--Program approved by State Board of Education. Extent of participation.--575 school districts. Distribution.--Monthly.

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
EDUCATIONALLY AND CULTURALLY DISADVANTAGED FUND (Sec. 3317.06)	$8,772,000 (1.9%)	
	Per pupil amount times ADC recipients between 5 and 17 years of age in eligibl districts. Cannot exceed $100 per pupil.	State share.--Cost of approved program. Local share.--Additions beyond approved program.
ADULT BASIC LITERACY FUND (Section 3317.06)	$ 115,000 (0.0%)	
	Calculated to match available Federal funds.	State share.--Limited to 50/50 matching basis and appropriation. Local share.--Program costs beyond those funded by Federal agencies.
EDUCATIONAL TELEVISION CONTRACT SERVICE FUND (Legislative appropriation)	$ 610,000 (0.1%)	
	State Board of Education enters into contracts with nonprofit corporations to provide services for boards of education.	State share.--Limited to the annual appr priations or the costs of such contracts Ranges from 40 to 65 cents per pupil in participating schools. Local share.--Per pupil cost beyond Stat contracts.
NONPUBLIC AUXILIARY SERVICES FUND (Section 3317.06)	$10,000,000 (2.1%)	
	Per pupil amount calculated by dividing annual appropriation by the number of eligible students.	State share.--Entire cost of program. Local share.--Districts are prohibited from spending local funds.

68-69 --continued

nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$8,772,000 (1.9%)		
upil amount times ADC recipients en 5 and 17 years of age in eligible icts. Cannot exceed $100 per pupil.	State share.--Cost of approved program. Local share.--Additions beyond approved program.	Requirements for participation.--100 residents between 5 and 17 years of age receiving aid to dependent children or such residents equal to 5 percent of district ADM. The program is approved by the State Department of Education. Extent of participation.--575 school districts. Distribution.--Monthly.
$ 115,000 (0.0%)		
lated to match available Federal .	State share.--Limited to 50/50 matching basis and appropriation. Local share.--Program costs beyond those funded by Federal agencies.	Requirements for participation.--Program approval by State Board of Education. Extent of participation.--46 school districts. Distribution.--Annually.
$ 610,000 (0.1%)		
Board of Education enters into cons with nonprofit corporations to de services for boards of education.	State share.--Limited to the annual appropriations or the costs of such contracts. Ranges from 40 to 65 cents per pupil in participating schools. Local share.--Per pupil cost beyond State contracts.	Requirements for participation.--Districts do not participate directly in these funds. Extent of participation.--475 school districts. Distribution--On contractual basis.
$10,000,000 (2.1%)		
upil amount calculated by dividing l appropriation by the number of ble students.	State share.--Entire cost of program. Local share.--Districts are prohibited from spending local funds.	Requirements for participation.--Nonpublic school located within public district boundaries. Program approval by the State Department of Education. It is limited to: Guidance, testing, and counseling services; deaf, blind, emotionally disturbed and crippled programs; audiovisual aids; speech and hearing services, remedial reading; TEV; disadvantaged pupil programs and nonreligious instruction other than basic classroom instruction. Extent of participation.--264 public school districts and 837 nonpublic school districts. Distribution.--On requested allocation schedule.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
DRIVER EDUCATION FUND (Sections 3301.17 and 3317.06) $5,250,000 (1.1%) $30 times the number of pupils completing an approved program.	State share.--Limited to $30 per pupil plus any calculation under foundation program. Local share.--Differences between State subsidies and actual cost.
CHILDREN IN SCHOOLS FOR THE MENTALLY RETARDED FUND (Section 3317.06 $ 142,500 (0.1%) $25 per eligible pupil.	State share.--Limited to $25 times the number of eligible pupils. Local share.--Additional costs shared by public school districts and Mental Retardation Boards.
PERMANENT SCHOOL FUND (Section 3115 et seq) $ 280,000 (0.1%) Amount per school-census child, 6-17 years of age, inclusive, in qualified districts.	State share.--100 percent of calculated amount. Local share.-- None.

OHIO

1968-69--continued

funds for the public schools and for program participation

nt of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$5,250,000 (1.1%)		
0 times the number of pupils complet- g an approved program.	State share.--Limited to $30 per pupil plus any calculation under foundation program. Local share.--Differences between State subsidies and actual cost.	Requirements for participation.--Offer an approved driver education program to all students 16 years of age and over at high schools for which the State Board of Education prescribes minimum standards. Extent of participation.--677 school districts and 718 high schools. Distribution.--Monthly.
$ 142,500 (0.1%) 25 per eligible pupil.	State share.--Limited to $25 times the number of eligible pupils. Local share.--Additional costs shared by public school districts and Mental Retardation Boards.	Requirements for participation.--Resident school-age children, and schools administered by County Board of mental retardation. Extent of participation.--676 school districts. Distribution.--Annually.
$ 280,000 (0.1%)		
nount per school-census child, 6-17 ears of age, inclusive, in qualified istricts.	State share.--100 percent of calculated amount. Local share.-- None.	Requirements for participation.--Only districts with sales prior to 1917 of land originally reserved for the benefit of schools participate. Extent of participation.--Same as previous column. Distribution.--February each year.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property assessments for taxation purposes are established by the county auditor who is an elected official. Other county officials have authority to change these assessments. The State Board of Tax Appeals has authority to supervise, review, and to order changes for the purpose of equalizing assessments on a statewide basis.

Assessment ratio studies to determine variations in the level of assessment among the State's taxing districts are conducted by the State Board of Tax Appeals, which issues equalization orders of those taxing districts with a level of assessment differing from the prescribed standard. Ohio has a statutory requirement that an increase in a taxing district's assessment level resulting from an equalization order must be compensated by a proportional cut in the tax rate. However, this applies only to tax levies voted in excess of the State's 10-mill limitation.

Intermediate districts.--No provision is made for any county tax levies for schools. In some counties, a small amount of county money is distributed to schools from revenues of the Undivided Classified Property Tax Fund.

Local districts.--Budgets of the local subdivisions, including the school districts, are submitted to the county budget commission to determine the allocation of the 10 mills on local assessments authorized by the constitution. Levies outside of the 10 mills may be voted for current operating expense at either a general or special election. A majority vote is required for approval. Additional levies may be also approved for libraries and recreation purposes.

Initiating bond issues.--The local board of education has complete responsibility for initiating school bond issues.

Limitations on issuance of bonds.--School bonds issued for schoolhouse construction must be serial bonds. They may be issued for a maximum period of 25 years.

Limitations of debt.--School bonds may be issued for capital outlay purposes up to 9 percent of the assessed valuation of the district. There are refunding provisions for bonds which have matured or which are about to mature. A State agency does not have authority to fix the debt limit or to approve a higher limit in special cases. School districts are required to have an enrollment of 240 in grades 9-12 before the Board of Education is permitted to place a bond issue before the electorate that exceeds 6 percent of the assessed valuation of the district. The State Board of Education may grant permission to exceed 6 percent but not the 9 percent assessed valuation if it is evident that the high school grades 9-12 will meet or exceed an enrollment figure of 240 within a reasonable period of time. In the event a high school enrollment fails to meet the criterion of 240, then the administering board of education may place a bond issue before the electorate that does not exceed 6 percent of the assessed valuation of the district.

Voting requirements.--Bonds may be issued up to one-tenth of 1 percent of the local assessed valuation of the district without submitting the proposal to an election. When proposed indebtedness goes beyond that amount, an election is required. Bond issue proposals may be submitted at regular or special elections with an affirmative majority vote required for passage.

Approval and sale of bonds.--Consent of the State Department of Taxation is required for submission to popular vote of a proposed bond issue of such amount that, if approved, the net indebtedness of the school district would be more than
than 4 percent of the district's tax valuat
Board of Education is required before submi
posed bond issue of such amount that, if ap
of the school district would be more than
tax valuation. These are statutory provisi
interest basis. The State does not assist
not require that bonds first be offered to
sale of bonds that are not immediately need

Bond records, tax levies, and payments.-
by vote of the electorate, the county audit
tax lists of the school districts, for each
retired, a tax levy sufficient to retire th
pay interest charges. This levy is made o
operating expenses. The clerk-treasurer o
sible for maintaining the bond record and
for the payment of the bonds.

Short-term indebtedness.--Boards of edu
borrow money and issue notes therefor in a
local tax revenues and in anticipation of
State. The notes so issued may not run fo
and the proceeds therefrom must be used on
cipated revenues are appropriated.

BUDGETS A

Provisions for School Budgets

Budget forms.--School budgets are prepa
prescribed by the Bureau of Inspection and
school fiscal year begins on January 1 and
coincide with the regular school year, whi
justments have been worked out so that mos
eliminated.

Local approval.--The taxing authority o
on or before July 15 in each year, a tax b
year. Two copies of the budget must be fi
of the school district for public inspecti
adoption by the taxing authority. At leas
quired, of which notice must be given by p
circulation, not less than 10 days prior t
each county are required to be submitted t
been established by law for reviewing budg
all subdivisions. This commission conside
the budgets and is not given authority to

State review or approval.--Budgets of l
to any State agency for review or approval

Provisions for School Audits

School audits are made approximately ev
Inspection and Supervision of Public Offic
Auditor of the State. The cost of an aud
involved.

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ected official. Other county officials
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debt limit or to approve a higher limit
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is permitted to place a bond issue be-
t of the assessed valuation of the dis-
grant permission to exceed 6 percent but
t is evident that the high school grades
gure of 240 within a reasonable period of
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may place a bond issue before the elec-
the assessed valuation of the district.

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without submitting the proposal to an
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itted at regular or special elections with
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f the school district would be more than

than 4 percent of the district's tax valuation. Consent of the State Board of Education is required before submission to popular vote a proposed bond issue of such amount that, if approved, the net indebtedness of the school district would be more than 6 percent of the district's tax valuation. These are statutory provisions. Bonds are sold on a fixed interest basis. The State does not assist with the sale of bonds and does not require that bonds first be offered to a State agency. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments.--Upon approval of a bond issue by vote of the electorate, the county auditor is required to place upon the tax lists of the school districts, for each year until the bonds have been retired, a tax levy sufficient to retire the bonds as they mature and to pay interest charges. This levy is made over and above those for current operating expenses. The clerk-treasurer of the school district is responsible for maintaining the bond record and the school district is responsible for the payment of the bonds.

Short-term indebtedness.--Boards of education have statutory authority to borrow money and issue notes therefor in anticipation of the collection of local tax revenues and in anticipation of the collection of revenue from the State. The notes so issued may not run for a period longer than 6 months and the proceeds therefrom must be used only for the purposes for which anticipated revenues are appropriated.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budgets are prepared by local school officials on forms prescribed by the Bureau of Inspection and Supervision of Public Offices. The school fiscal year begins on January 1 and ends on December 31. This does not coincide with the regular school year, which is from July 1 to June 30, but adjustments have been worked out so that most of the complications have been eliminated.

Local approval.--The taxing authority of each taxing unit is required to adopt, on or before July 15 in each year, a tax budget for the next succeeding fiscal year. Two copies of the budget must be filed in the office of the fiscal officer of the school district for public inspection not less than 10 days before its adoption by the taxing authority. At least one public hearing thereon is required, of which notice must be given by publication, in a newspaper of general circulation, not less than 10 days prior to the date of hearing. All budgets in each county are required to be submitted to a county budget commission which has been established by law for reviewing budgets and allocating the 10 mills among all subdivisions. This commission considers only the total amount included in the budgets and is not given authority to reduce specific items in the budgets.

State review or approval.--Budgets of local school districts are not submitted to any State agency for review or approval.

Provisions for School Audits

School audits are made approximately every 2 years by the State Bureau of Inspection and Supervision of Public Offices, an agency of the Department of Auditor of the State. The cost of an audit is charged to the school system involved.

OKLAHOMA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. **Winston E. Howard**, Director of Finance, State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 28 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.
2. Nearly two-thirds, or 62 percent, of the State money for public school support is distributed through the Foundation Aid Fund. About 3.9 percent of the State funds is distributed to the public from income earned by the State Permanent School Fund.
3. Based on a beginning teacher with a bachelor's degree and a school term of 180 days, the foundation program provides for a minimum salary level of $4,180 per teacher unit.
4. Other distributions which account for the remainder of the State money are: Incentive Aid Fund, State Textbook Fund, Vocational Fund, and Handicapped Child Fund.
5. The Incentive Aid Fund provides the local school district **voting the full 5-mill emergency levy with $52 per pupil in average daily attendance for the previous year.**

LOCAL SUPPORT

1. Nearly 32 percent of the county and local tax receipts for public elementary and secondary school support is from nonproperty taxes. The balance is from property tax levies. Slightly in excess of 25 percent of these receipts is from countywide or intermediate district taxes.
2. All counties are required to levy a 4-mill property tax for schools. This money, along with the nonproperty tax receipts, is distributed to the school districts of the county on a school average daily attendance (ADA) basis. These amounts and 75 percent of the 4-mill levy are included in the foundation program calculations of local school support.
3. Participation in the State foundation program also requires local districts to levy at least 15 mills on all locally assessed taxable property in the district.
4. Local district taxes of up to 20 mills may be levied without voter approval and another 20 mills can be added by electoral approval. Also, the county excise board allocates 10 mills for county and city government support, and any portion of this amount not needed may be allocated to the school districts.
5. School district indebtedness is limited to 10 percent of the local assessed valuation of taxable property. Tax rates for debt service are authorized as necessary and are in addition to the specified levy limits.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements fo district parti for distri
Total	$91,501,468	(100.0%)		
FOUNDATION AID FUND (70 O.S. Supp. 1965, 18-1A to 15A)	$54,197,506	(59.7%)	State share.--Guaranteed level of State support minus required local effort equals State contribution. Local share.--Local school districts must levy at least the equivalent of 15 mills on assessed taxable property in the district.	Requirements fo district must enabling it to school; also Extent of parti tricts. Distribution.-- first payment in June.
Foundation fund allotments are based on teacher units with a pupil-teacher ratio of 26-1. The State-shared support in 1963-64 is the minimum level or guaranteed level adjusted for current year. The foundation plan includes: (a) salaries for teachers, (b) allowance for transportation, (c) allowance for special educational programs, (d) allowance for vocational education programs, and (e) allowance for other current expenses. For increases or decreases from 1963-64 in teacher units an adjustment is made for the current year. Teacher unit allotments are based on the following minimum teacher salary schedule for 1965-66: B.A. degree - $4,180 M.A. degree - 4,180 Doctor's degree - 4,380 Increments of $100 per year are allowed for teaching experience and military service for a maximum of 15 increments. For transportation, the State Board of Education calculates increases or decreases in transfer fees receivable or transportation allowance and substitutes such amount for the amount used in determining the equalization aid for such district in 1963-64. The calculations are made on a basis of pupil density per square mile. Special education amounts are adjusted for current year from 1963-64 for physical and occupational therapists, teachers for homebound (per child taught), teacher travel, home to school telephone communication, and pupil travel to and from special facilities. The foundation plan provides one-half a teacher unit for each full-time vocational education program adjusted from				

for the public schools and for program participation

tate funds for school support, ct allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$91,501,468 (100.0%)		
$54,197,506 (59.7%) on fund allotments are based on nits with a pupil-teacher ratio The State-shared support in s the minimum level or guaran- l adjusted for current year. ation plan includes: (a) sal- r teachers, (b) allowance for tation, (c) allowance for spe- cational programs, (d) allow- vocational education pro- nd (e) allowance for other cur- enses. eases or decreases from 1963-64 er units an adjustment is made current year. Teacher unit ts are based on the following teacher salary schedule for . degree - $4,180 . degree - 4,180 tor's degree - 4,380 ts of $100 per year are allowed hing experience and military for a maximum of 15 increments. sportation, the State Board of n calculates increases or de- in transfer fees receivable or tation allowance and substi- ch amount for the amount used mining the equalization aid for trict in 1963-64. The calcula- e made on a basis of pupil per square mile. education amounts are adjusted ent year from 1963-64 for physi- occupational therapists, teach- homebound (per child taught), travel, home to school tele- mmunication, and pupil travel rom special facilities. dation plan provides one-half a unit for each full-time voca- ducation program adjusted from	State share.--Guaranteed level of State support minus required local effort equals State contribution. Local share.--Local school districts must levy at least the equivalent of 15 mills on assessed taxable property in the district.	Requirements for participation.--School district must file budget describing funds enabling it to maintain a full term of school; also furnish school census data. Extent of participation.-- 740 school districts. Distribution.--Four times per year with first payment in October and the last in June.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
	1963-64. The foundation program amount is determined by an allotment of one-half teacher salary allotment for additional programs since 1963-64. Allowance for current expenses are adjusted for increase or decrease for each school program since 1963-64.	
INCENTIVE AID FUND (70 O.S. 1968, 18 - 8A)	$29,048,344 (32.0%) The incentive plan provides $52 per pupil in ADA for all districts which levy a tax of 5 additional mills as provided in Sec. 9(d), Article X of the Oklahoma Constitution. The district will receive no payment from the Incentive Aid fund, if the additional levy is less than 5 mills. If legislated appropriation is not sufficient, the flat grant per child is reduced accordingly.	State share.--$52 per pupil in ADA. Local share.--Levy of 5 mills in addition to required levy.
VOCATIONAL EDUCATION FUND (Title 70, Art. 14, Sec. 4, Laws of 1949)	$1,200,949 (1.0%) The amount indicated represents the State's portion of support for this program which is jointly aided with State and Federal funds. Available money is used to reimburse the participating local boards of education for a percentage of the approved expenditures.	State share.--Approved amount. Local share.--Costs above State and Federal amounts. There is no specified local tax levy.
GENERAL APPORTIONMENT FUND (Art. XI, Secs. 2 and 3, Oklahoma State Constitution)	$3,601,669 (4.0%)	State share.--100 percent of approved amount. Local share.--None
Permanent School Fund............ (Unrestricted use)	This fund is distributed to all school systems on the basis of school-census children 6 to 21 years of age, inclusive. Revenues for this fund are derived from interest and income from the permanent school fund.	
STATE TEXTBOOK FUND (70 O.S. 1961, Art. 16)	$2,668,000 (3.0%) Funds are allocated to school districts to purchase textbooks for grades 1-12 on the basis of $4 per pupil enrolled.	State share.--Costs of books up to $4 per pupil. Local share.--Textbook costs over $4 per pupil. No required levy.

RT, 1968-69--continued.

OKLAHOMA

of State Funds for the public schools and for program participation

nd percent of State funds for school support, ation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
1963-64. The foundation program amount is determined by an allotment of one-half teacher salary allotment for additional programs since 1963-64. Allowance for current expenses are adjusted for increase or decrease for each school program since 1963-64.		
$29,048,344 (32.0%) The incentive plan provides $52 per pupil in ADA for all districts which levy a tax of 5 additional mills as provided in Sec. 9(d), Article X of the Oklahoma Constitution. The district will receive no payment from the Incentive Aid fund, if the additional levy is less than 5 mills. If legislated appropriation is not sufficient, the flat grant per child is reduced accordingly.	State share.--$52 per pupil in ADA. Local share.--Levy of 5 mills in addition to required levy.	Requirements for participation.--To be available to all school districts in addition to the Foundation Program Aid. Extent of participation.--740 school districts. Distribution.--Payments made twice per year; April and May.
$1,200,949 (1.0%) The amount indicated represents the State's portion of support for this program which is jointly aided with State and Federal funds. Available money is used to reimburse the participating local boards of education for a percentage of the approved expenditures.	State share.--Approved amount. Local share.--Costs above State and Federal amounts. There is no specified local tax levy.	Requirements for participation.--Local boards of education must be providing courses in vocational education that meet standards prescribed by the State Board and must make application for reimbursement of approved expenditures. Extent of participation.--425 school districts.
$3,601,669 (4.0%) .... This fund is distributed to all school systems on the basis of school-census children 6 to 21 years of age, inclusive. Revenues for this fund are derived from interest and income from the permanent school fund.	State share.--100 percent of approved amount. Local share.--None	Requirements for participation.--All common schools of the State benefit from this fund. School systems must take an annual school census. Extent of participation.--740 school districts. Distribution.--Monthly, between the first and fifteenth day.
$2,668,000 (3.0%) Funds are allocated to school districts to purchase textbooks for grades 1-12 on the basis of $4 per pupil enrolled.	State share.--Costs of books up to $4 per pupil. Local share.--Textbook costs over $4 per pupil. No required levy.	Requirements for participation.--Districts must use books from State-adopted list. Extent of participation.--All 740 school districts. Distribution.--Funds are made available at the beginning of the year to be used as needed by the school districts.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for a district particip for distribut
HANDICAPPED CHILDREN FUND $\quad$ $ 785,000 $\quad$ (1.0%) (70 O.S. Supp. 1957, 13-1 to 9.) This fund is in addition to the special education allotment in the Foundation Aid formula. School districts receive an adjusted amount based on the 1963-64 State aid level for teachers of exceptional children.	State share.--Amount allowable for salary of teacher based on State salary minimum. Local share.--Cost of handicapped program in excess of State allotments through the Handicapped Children Fund and the Foundation Aid Fund.	Requirements for p systems must operat handicapped childr standards and requ the State. Two or establish a cooper
DESCRIPTION OF STATE LOAN DISTRIBUTION		
TRANSPORTATION REVOLVING FUND $\quad$ $ 200,000 (Title 70, Ch. 31, Secs. 1-9, Laws of 1949.) This fund is not actually distributed to districts but is used by the State Board of Education to purchase buses for districts which are not in a position to buy them.	State share.--Pay cost of buses; and are reimbursed by school district. Local share.--Repays State loan over a period of 5 years.	Requirements for p systems must be in buses to transport mit evidence that cial position and capacity to purcha

chools and for program participation

hool support,	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
00 (1.0%) to the special e Foundation ricts receive on the 1963-64 ers of excep-	State share.--Amount allowable for salary of teacher based on State salary minimum. Local share.--Cost of handicapped program in excess of State allotments through the **Handicapped** Children Fund and the Foundation Aid Fund.	Requirements for participation.--School systems must operate special classes for handicapped children in accordance with standards and requirements prescribed by the State. Two or more districts may establish a cooperative program.
00 distributed by the State chase buses ot in a posi-	State share.--Pay cost of buses; and are reimbursed by school district. Local share.--Repays State loan over a period of 5 years.	Requirements for participation.--School systems must be in urgent need of school buses to transport children and must submit evidence that they are not in financial position and do not have the bonding capacity to purchase buses.

Provisions for Raising School Revenue

Property assessments.--Personal and real estate property valuations for taxation purposes are established by the county assessor who is an elected official. Valuations for public service corporation property are determined by the State Tax Commission. The State Board of Equalization has authority to adjust valuations for the purpose of equalizing them on a statewide basis between counties but does not supervise the assessment procedures. The State Board decides whether county assessments in total should be raised or lowered.

Intermediate districts.--As amended in 1955, the Oklahoma Constitution provides a tax of 4 mills on the assessed valuation of all taxable property in the county. Proceeds are apportioned to the school districts of the county on the basis of the average daily attendance (ADA) for the preceding school year.

The county also has a tax on intangibles and recorded mortgages which is usually 2 mills. These nonproperty revenues are collected by the county and apportioned to all the schools therein on a school-census basis.

State laws further provide three dedicated tax revenues for schools: Auto license tax, severance tax, and rural electrification tax. The income from these taxes for schools is classified as an intermediate district revenue in this report.

Local districts.--When local boards of education certify a need to the county excise board, the county board is required to levy a school district tax of 20 mills or as much thereof as is necessary to finance the estimated needs as filed by the local boards of education against all taxable property in the district.

School districts may also levy for current expense an additional amount not to exceed 5 mills when approved by a majority of the electors of the district voting on the question at an election called for such purpose. Another 5 mills may be levied for the purpose of erecting, remodeling, or repairing school buildings, and for purchasing furniture when approved by the people. For sinking fund purposes, the county excise board is required to make whatever levy is necessary to retire bonds and judgments and pay the interest thereon. In addition to the levies hereinbefore authorized, a school district may make a local support levy in an amount not to exceed 10 mills when approved by a majority of the ad valorem taxpaying voters of the district.

The county excise board has at its disposal for allocation 10 mills in any school district to be used for county and city government. Any part of this which is not needed for the purposes mentioned may be, at the discretion of the county board, allocated to the local school districts. Such revenue would be in addition to all other revenue described in the preceding paragraphs.

All school districts in the State of Oklahoma are fiscally independent insofar as local or county officials are concerned. The State Board of Education and the State Land Commission, both of which distribute money to the various districts, have no discretionary power in this matter except to determine the legal qualifications of said districts to participate in the funds available for distribution.

Provisions for School Inde

Initiating bond issue
bility for initiating and
sites, remodeling, new con
portation equipment.

Limitations on issuan
issued for not more than 2

Limitations on debt.-
at not more than 5 percent
10 percent of the local as
has the authority to fix t
special cases.

Voting requirements.-
election by three-fifths c

Approval and sale of
unless it has endorsed the
other officer authorized b
cate of the attorney for t
is issued pursuant to law
school district bond issue
it has been approved by th
sold on a fixed interest b
bonds, and the bonds do no
from sale of bonds which a

Bond records, tax lev
sufficient taxes against t
used for payment of intere
parts of judgments as such
ments are granted by prope
or current expense funds a
bond and judgment records
made by that official.

Short-term indebtedne
board may issue warrants
amount thus issued may no
Warrants are paid in the

Provisions for School Bud

Budget forms.--Offic
prepared by the State Exa
county and furnished free
copies, one of which is f

real estate property valuations for taxa-
ty assessor who is an elected official.
property are determined by the State
ization has authority to adjust valu-
on a statewide basis between counties
cedures. The State Board decides
d be raised or lowered.

in 1955, the Oklahoma Constitution pro-
luation of all taxable property in the
school districts of the county on the
A) for the preceding school year.

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a school-census basis.

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ctrification tax. The income from these
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against all taxable property in the

urrent expense an additional amount
majority of the electors of the dis-
on called for such purpose. Another
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iture when approved by the people. For
oard is required to make whatever levy
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rized, a school district may make a
ceed 10 mills when approved by a majority
district.

isposal for allocation 10 mills in any
city government. Any part of this which
may be, at the discretion of the county
ricts. Such revenue would be in ad-
the preceding paragraphs.

Oklahoma are fiscally independent
concerned. The State Board of Educa-
of which distribute money to the various
this matter except to determine the
participate in the funds available for

Provisions for School Indebtedness

Initiating bond issues.--Local boards of education have the responsibility for initiating and issuing school bonds. Bonds may be issued for sites, remodeling, new construction, repair, furniture, equipment, and transportation equipment.

Limitations on issuance of bonds.--Serial bonds are required and may be issued for not more than 25 years.

Limitations on debt.--The Constitution provides that bonds may be sold at not more than [illegible] percent interest and limits the total debt obligation to 10 percent of the local assessed valuation of the district. No State agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements.--All bond issues must be approved at a special election by three-fifths of the qualified electors who participate.

Approval and sale of bonds.--No bond or evidence of indebtedness is valid unless it has endorsed thereon a certificate signed by the county clerk, or other officer authorized by the law to sign such certificate, and the certificate of the attorney for the county stating that the bond, or evidence of debt, is issued pursuant to law and that the issue is within the debt limit. No school district bond issue is a legal obligation against the district until it has been approved by the Attorney General of the State. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds, and the bonds do not have to be first offered to a State agency. Funds from sale of bonds which are not immediately needed may be invested.

Bond records, tax levies, and payments.--County excise boards must levy sufficient taxes against the school district to create a sinking fund to be used for payment of interest coupons as they fall due, and for payment of such parts of judgments as such district may be, by law, required to pay. Judgments are granted by proper courts for payments of warrants against the general or current expense funds and for which revenues were insufficient. School bond and judgment records are kept by the county treasurer and payments are made by that official.

Short-term indebtedness.--In payment of current obligations, a school board may issue warrants in anticipation of receipts from tax levies. The amount thus issued may not exceed the anticipated receipts during the year. Warrants are paid in the order of their issuance upon receipt of revenues.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Official school budget forms for all school districts are prepared by the State Examiner and Inspector. They are purchased by the county and furnished free to the districts. Every district must make two copies, one of which is filed with the secretary of the county excise board, Budget forms--continued.

and the other with the State Auditor. Budgets are for the fiscal year beginning July 1 and ending June 30.

Local approval.--The law requires that all districts file their budgets with the county excise board by July 25. The county excise board must approve all budgets before they become official and are filed with the State. This board has no discretionary authority in approving levies or appropriations but acts in the capacity of an auditor. Budgets must be published for independent districts.

State review or approval.--The State Auditor has no authority to review or approve budgets which are filed with his office. His copy is only for public records which may be checked by any taxpayer. There is no prescribed date for filing. However, within 40 days after the date of filing, any such taxpayer may protest either the tax rate or the amount of the appropriation. The State Court of Tax Review passes on the protest. If no protest is filed within the 40-day period, both the tax rates and appropriations become final.

Provisions for School Audits

Oklahoma Statutes require each school dist
audited by an independent public accountant or
are on a list of auditors approved by the State
expense of the audit is borne by the school dist
annually and filed with the school district boa
and the State Board of Education. Interim audit
cial aid is conditioned upon compliance with the

State Board of Education examiners and au
the use of State and Federal funds. The State
a school district upon request or pursuant to
tion of collections properly chargeable to Stud
all money collected by taxation or by fees, fin
to be accounted for by a system of records that
counts. The Estimate of Needs thus contains a
prior years' activities.

ts are for the fiscal year begin-

all districts file their budgets
e county excise board must approve
are filed with the State. This
oving levies or appropriations
gets must be published for

ditor has no authority to review
office. His copy is only for
axpayer. There is no prescribed
ter the date of filing, any such
the amount of the appropriation.
protest. If no protest is filed
and appropriations become final.

Provisions for School Audits

Oklahoma Statutes require each school district to have all of its funds audited by an independent public accountant or firm of public accountants, who are on a list of auditors approved by the State Department of Education. The expense of the audit is borne by the school district. Each audit must be made annually and filed with the school district board of education, the County Clerk, and the State Board of Education. Interim audits may also be made. State financial aid is conditioned upon compliance with the audit law.

State Board of Education examiners and auditors are also required to audit the use of State and Federal funds. The State Examiner and Inspector may audit a school district upon request or pursuant to a signed petition, with the exception of collections properly chargeable to Student Activity Funds, the law requires all money collected by taxation or by fees, fines, and public charges of every kind, to be accounted for by a system of records that are uniform for each class of accounts. The Estimate of Needs thus contains a complete financial statement of the prior years' activities.

OREGON

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

OREGON PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. L. E. Marschat, Director, School Finance and Statistical Services, Oregon State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 30 percent of the non**federal** revenue for public elementary and secondary schools and community colleges, including only State grants and county and local revenue receipts, is provided by the State.
2. Approximately 2 percent of the total State grant money is obtained as income from earnings on permanent school endowments and other revenue from lands credited to the Common School Fund. The remainder is appropriated from general revenue receipts.
3. The principal school support fund in Oregon is the Basic School Support Fund. Four major parts, or distributions, of this fund provide per pupil apportionments, foundation program support, pupil transportation support, and allowances for increases in pupil enrollment.
4. Foundation program support provides for a basic expenditure level of **$410.00** per elementary pupil in average daily membership (ADM) and **$533.00** per high school pupil.
5. **Twelve** other State distributions include support as follows:
    - **Common School Fund**
    - Handicapped children
    - Mentally retarded children
    - Educationally able and gifted children
    - **Special Schools**
    - Driver education
    - Special needs and payment in lieu of taxes
    - **Disadvantaged Children**
    - Vocational education
    - Community college operation
    - Community college construction
    - **Aid to Individuals**

LOCAL SUPPORT

1. Approximately 68 percent of county and local district tax levies for grades K-14 is from local district taxes, and 38 percent is from county and intermediate education district taxes.
2. Approximately 68 percent of all property taxes levied are for public elementary and secondary education.
3. Both local districts and counties derive their school tax support from property taxes. There are no non-property taxes authorized to be levied for support of the schools.
4. The calculated revenue from a standard tax rate, a rate which varies each year, is used in determining the amount of State equalization support. There is no requirement that school districts actually levy the standard tax rate.
5. Beginning in 1966-67, the governing body of each county shall provide annually, by levy upon all taxable property of the county, or otherwise, an amount at least equal to the lesser of (1) the minimum amount it was required to levy for purpose of the county school fund in the tax year 1965-66 or (2) $10 per capita for all children within the county between the ages of 4 and 20 years, as shown by the preceding school census.
6. There are no statutory tax rate limits for school support imposed on either school districts or counties. Unless approved by a majority of the people, county and school district levies may not exceed by more than 6 percent, the highest lawful levy, exclusive of debt service levies and specific levies authorized by the people, in any one of the last 3 years in which such levy was made.
7. School district indebtedness may not exceed .55 of 1 percent of the total true value of all taxable property in the district for each of grades 1-8, .75 of 1 percent for each of grades 9-12, and 1.5 percent for community colleges.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requireme district for
Total	$97,986,333 (100.0%)		
BASIC SCHOOL SUPPORT FUND--Average Daily Membership Portion (ORS 327.006-327.200)	$54,769,893 (55.9%)		
Average Daily Membership Portion..	Each district receives for each weighted resident pupil in average daily membership (ADM) an amount determined by dividing the amount ($54,224,377) provided for this distribution by the total weighted resident pupils in ADM in the State. Pupil units are weighted by adding to elementary (grades 1-8) ADM, 1.3 times the ADM for grades 9-12.	Local share.--No required local for this specific fund.	Requireme required scribed s law or th Extent o districts
BASIC SCHOOL SUPPORT FUND--Foundation Program Portion. (ORS 327.006-327.200)	$13,692,473 (13.97%)		
Foundation program portion.......	If the net operating expenditures of the district are less than the cost of the basic education program for the district, the difference shall be deducted from the amount of equalization aid. The basic or foundation education program support level is $410.00 for each weighted resident pupil in ADM in grades 1-12. Provision is made for a larger per pupil allowance if a district has approved elementary or high schools with an ADM of less than 100. If approved for a small school correction, the district's basic program for these schools may be $5,000 for each teacher unit allowed by the State Board of Education in grades 1-8 and $6,000 per teacher unit allowed in grades 9-12. The basic $410.00 times the weighted resident ADM is used for schools of the district not granted a small school correction.	Local share.--Local district contributions include (a) the local contribution correction, which is the difference determined by deducting the amount the district levies in support of the County School Fund from the sum of its receipts from the County School Fund, Common School Fund receipts, and 75 percent of receipts from Public Law 874; and (b) the proceeds at a standard tax rate determined by the State Superintendent of Public Instruction that will result in the distribution, within practical limits, of the amount available, based on the true cash value of taxable property in a district as computed from assessed valuations and equalizing tax ratios determined by the State Tax Commission. When 12 grades are not operated by the district, 7.5 percent of the true cash value shall be attributed to a district for each grade from the first through the eighth for which it provides education, and 10 percent of the true cash value shall be attributed to a district for each grade from the ninth through the twelfth for which it provides education.	Requireme district ence rem local di deducted educatio Extent o 50 perce

for the public schools and for program participation

State funds for school suppor , ict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$97,986,333 (100.0%) $54,769,893 (55.9%)		
trict receives for each weighted pupil in average daily member- DM) an amount determined by di- he amount ($54,224,377) provided distribution by the total resident pupils in ADM in the Pupil units are weighted by o elementary (grades 1-8) ADM, s the ADM for grades 9-12.	Local share.--No required local for this specific fund.	Requirements for participation.--Submit required reports and conform to prescribed standards established by State law or the State Board of Education. Extent of participation.--All school districts in the State.
$13,692,473 (13.97%)		
net operating expenditures of trict are less than the cost of ic education program for the dis- the difference shall be deducted amount of equalization aid. ic or foundation education pro- pport level is $410.00 for each d resident pupil in ADM in grades Provision is made for a larger il allowance if a district has d elementary or high schools ADM of less than 100. If d for a small school correction, trict's basic program for these may be $5,000 for each teacher lowed by the State Board of Edu- in grades 1-8 and $6,000 per unit allowed in grades 9-12. ic $410.00 times the weighted t ADM is used for schools of the t not granted a small school ion.	Local share.--Local district contributions include (a) the local contribution correction, which is the difference determined by deducting the amount the district levies in support of the County School Fund from the sum of its receipts from the County School Fund,Common School Fund receipts, and 75 percent of receipts from Public Law 874; and (b) the proceeds at a standard tax rate determined by the State Superintendent of Public Instruction that will result in the distribution, within practical limits, of the amount available, based on the true cash value of taxable property in a district as computed from assessed valuations and equalizing tax ratios determined by the State Tax Commission. When 12 grades are not operated by the district, 7.5 percent of the true cash value shall be attributed to a district for each grade from the first through the eighth for which it provides education, and 10 percent of the true cash value shall be attributed to a district for each grade from the ninth through the twelfth for which it provides education.	Requirements for participation.-- Each district which has any positive difference remaining after flat grants and the local district contribution have been deducted from the cost of the basic education program may participate. Extent of participation.--Approximately 50 percent of the school districts.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**
BASIC SCHOOL SUPPORT FUND--TRANSPORTATION PORTION (ORS 327.035)	$6,632,315 (6.77%)	
Transportation portion.......... **(nonrestricted use)**	Each district receives that proportionate share of the amount available for distribution as its approved cost for transportation (or board and room in lieu of transportation) bears to such approved cost in all districts, in the year prior to the year of appointment. The total allocation is determined at 60% of the approved cost of transportation and board and room in lieu of transportation of all districts in the second year preceding the year of appointment.	Local share.--**Amount over 60 percent of approved cost of transportation.**
COMMUNITY COLLEGE SUPPORT FUND (ORS 341.510 to 341.916)	$8,320,391 (8.49%)	
Operating expenses..............	**Districts received:** **(a) between $433 and $575 or (two-**thirds of the State average per pupil cost for operating expenses for each equivalent full-time student enrolled in post-high school programs for vocational education, lower-division collegiate education, and adult education classes or (c) 85 percent of the per pupil difference between the operating expenses and the amount received from tuition and fee receipts, whichever is least.	
BASIC SCHOOL SUPPORT FUND--GROWTH PORTION (ORS 327.042)	$2,336,358 (2.38%)	
Growth portion.................. (nonrestricted use)	Each district participates in this distribution in proportion to the district's share of one total increase in weighted resident pupils in grades 1-12 in all districts which had an increase over the previous year. No district may receive more than $160 per unit of increased weighted ADM.	Local share.--None
COMMUNITY COLLEGE CONSTRUCTION FUND (ORS 341.925 to 341.950)	$5,001,500 (5.10%)	
Administration, instruction and necessary student facilities.....................	District may receive 65 percent of the actual cost of the building project including initial equipment but exclusive of the cost of the site and site development.	Local share.--35 percent of the actual cos of building and initial equipment plus cost of site and site development.

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r the public schools and for program participation

te funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$6,632,315 (6.77%)		
t receives that proportionate amount available for dis- its approved cost for trans- r board and room in lieu of on) bears to such approved districts, in the year prior of appointment. The total s determined at 60% of the t of transportation and om in lieu of transportation icts in the second year pre- ear of appointment.	Local share.--Amount over 60 percent of approved cost of transportation.	Requirements for participation.--Provide pupil transportation service in accordance with regulations and standards established by the State Board of Education. Extent of participation.--Most school districts.
$8,320,391 (8.49%)		
eceived: $433 and $575 or (two- e State average per pupil rating expenses for each ull-time student enrolled in hool programs for vocational ower-division collegiate nd adult education classes rcent of the per pupil dif- een the operating expenses nt received from tuition and , whichever is least.		Requirements for participation.--Operate a State-approved community college with minimum student tuition rates and fees approved by the State Board of Education. Extent of participation.--12 community colleges.
$2,336,358 (2.38%)		
t participates in this dis- proportion to the district's total increase in weighted ils in grades 1-12 in all ich had an increase over the r. No district may receive 60 per unit of increased .	Local share.--None	Requirements for participation.--District must have an increase in resident weighted ADM between December 31 of the apportionment year and the previous school year. Extent of participation.--More than half of school districts.
$5,001,500 (5.10%)		
receive 65 percent of the of the building project in- ial equipment but exclusive of the site and site develop-	Local share.--35 percent of the actual cost of building and initial equipment plus cost of site and site development.	Requirements for participation.--Submit and have approved by the State Board of Education preliminary and detailed building plans. Projects must be in agreement with long-range plans

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69--continued
Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements fo district parti for distri
COMMUNITY COLLEGE CONSTRUCTION FUND--continued Administration, instruction, and necessary student facilities--continued			**Requirements fo** for such progra able site; prov of the local sh a project descr cost specificat Extent of parti colleges Distributed.--I construction pr
COMMON SCHOOL FUND (ORS 327.405 to 327.480)	$2,500,000 (2.55%)		
Support and maintenance of the common schools....................	The Common School Fund, comprised of the interest arising from the Common School Fund and the revenue from designated school lands, is distributed by the State Land Board to the respective County Treasurers on the basis of the number of resident children in the county between the ages of 4 and 20. Apportionment to school districts is on the same basis except that the school census taken by an elementary district is divided proportionately between it and a union high school district of which it is a part on the basis of the number of pupils within its boundaries that attend elementary grades.	Local share.--None.	Requirements fo Provide educati in the precedin Extent of parti districts in t
HANDICAPPED CHILDREN FUND (ORS 343.221 to 343.285)	$1,504,065 (1.54%)		
	This fund is used to reimburse districts for the excess cost of educating handicapped children in grades 1-12 where such cost is above the average per capita cost for education in the district	Local share.-- Local district provides funds up to the average cost for education in the district.	Requirements f Operating spec children which standards and Extent of part 100 school dis Distributed.-- when claim is

--continued
Funds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
inued $2,500,000 (2.55%)		Requirements for participation.--continued for such programs; provide for a suitable site; provide for adequate financing of the local share of cost; and include a project description of educational and cost specifications. Extent of participation.--9 community colleges Distributed.--In periodic payments as construction progresses.
Common School Fund, comprised of the erest arising from the Common School l and the revenue from designated ool lands, is distributed by the e Land Board to the respective ty Treasurers on the basis of the er of resident children in the ty between the ages of 4 and 20. rtionment to school districts is on same basis except that the school us taken by an elementary district ivided proportionately between it a union high school district of h it is a part on the basis of the er of pupils within its boundaries attend elementary grades. $1,504,065 (1.54%)	Local share.--None.	Requirements for participation.--Provide education for resident children in the preceding year. Extent of participation.--All school districts in the State.
fund is used to reimburse districts the excess cost of educating handi- ed children in grades 1-12 where cost is above the average per ta cost for education in the dis- t	Local share.-- Local district provides funds up to the average cost for education in the district.	Requirements for participation.--Operating special programs for handicapped children which meet State prescribed standards and submit required information. Extent of participation.--Approximately 100 school districts. Distributed.--After close of school year when claim is approved.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support the calculated State program allowan
METALLY RETARDED CHILDREN FUND (ORS 343.410 to 343.490)	$1,243,556 (1.27%)	
	Districts which meet the eligibility requirements for aid under this program receive up to: (a) $3,000 for teacher's salary in each special class; (b) $700 for transportation of children in each class; (c) $300 for each class for special equipment and supplies; and (d) an amount equal to 50* percent of each supervisor's salary, whichever is less. Reimbursement funds under this program are not prorated.	
STUDENT DRIVER TRAINING FUND (ORS 343.710 to 343.740)	$ 600,000 (.61%)	
Classroom instruction and dual-controlled automobiles.......	Each school system offering a driver training course may be reimbursed for 90 percent of the cost of conducting the training, but the amount may not exceed $50 per pupil completing the course.	Local share.--10 percent of cost of co ducting program or amount above $50 pe pupil completing the course.
VOCATIONAL EDUCATION FUND (ORS 344.060 to 344.140)	$ 110,000 (.11%)	
Used in conjunction with Federal funds....................	Funds are apportioned on the basis of approved participation in the vocational education program and are used in conjunction with Federal vocational funds.	Local share.--Supplement State and Fed funds.
EDUCATIONALLY ABLE AND GIFTED CHILDREN FUND (ORS 343.391 to 343.401)	$ 22,760 (.02%)	
Instructional improvement.........	Reimbursement may not exceed 50 cents per child in average daily membership (ADM) involved in the program. If the amount available is insufficient to pay the full amount requested for reimbursement, the fund is prorated.	Local share.--Amount above 50 cents pe child in ADM.

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* or $4,000 of each supervisor's salary

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1968-69--continued

funds for the public schools and for program participation

t of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$1,243,556 (1.27%) stricts which meet the eligibility quirements for aid under this program ceive up to: (a) $3,000 for teacher's lary in each special class; (b) $700 r transportation of children in each ass; (c) $300 for each class for ecial equipment and supplies; and (d) amount equal to 50 percent of each pervisor's salary, whichever is less. imbursement funds under this program e not prorated.		Requirements for participation.--Certify 12 or more children as eligible and enrolled in special classes for mentally retarded children and meet other requirements as specified by the State Superintendent of Public Instruction. District participation is limited by the State Department of Education so that the funds available may provide full reimbursement. Extent of participation.--An estimated 80 school districts.
$ 600,000 (.61%) ch school system offering a driver aining course may be reimbursed for percent of the cost of conducting e training, but the amount may not ceed $50 per pupil completing the urse.	Local share.--10 percent of cost of conducting program or amount above $50 per pupil completing the course.	Requirements for participation.--Courses must comply with State standards and requirements and maintain accurate cost records. Extent of participation.--140 school districts.
$ 110,000 (.11%) nds are apportioned on the basis of proved participation in the vocational ucation program and are used in conction with Federal vocational funds.	Local share.--Supplement State and Federal funds.	Requirements for participation.--Operate a school with a vocational department that meets State regulations. Extent of participation.--150 school districts. Distributed--As reimbursement at the end of the school year.
ND $ 22,760 (.02%) mbursement may not exceed 50 cents r child in average daily membership M) involved in the program. If the ount available is insufficient to pay e full amount requested for reimburset, the fund is prorated.	Local share.--Amount above 50 cents per child in ADM.	Requirements for participation.--Submit and have approved a written plan for curriculum or instruction improvement for enrolled educationally able and gifted children and file necessary reports. Extent of participation.-- 50 school districts. Distributed.--As an advance prior to the end of the fiscal year when so approved by the State Superintendent of Public Instruction.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requir distr f
STATE TAX-EXEMPT PROPERTY (STEP) (327.660)	$ 106,650 (.11%)		
	Districts are reimbursed for educating pupils living on State tax-exempt property. The amount reimbursed is equal to the difference between the net operating expenditures per pupil plus reasonable cost of transportation, and the average receipts of the district per pupil from county, State and Federal sources.	State share.--Each district receives the local contribution portion of current costs per ADM. In the event sufficient funds are not available to reimburse the full amount, the district receives its pro rata share. Local share.--No local share is needed if State fund is adequate.	Require have ch live on Extent distric
DISADVANTAGED CHILDREN (363.650)	$ 603,125 (.62%)		
	Disadvantaged child payments to districts with at least 50,000 ADM for programs for children who, in their backgrounds are socially or culturally deprived to such a degree that without supplemental facilities and service they cannot profit in the regular school program to the same extent as children with normal backgrounds.	State share.--100 percent or an amount equal to the total cost of the approved program or service provided. Local share.--None.	Require must ha Extent trict.
AID TO INDIVIDUALS (343.301)	$ 54,416 (.06%)		
	The fund pays tuition and living expenses for deaf-blind children in out-of-State institutions for a suitable instructional program where available.	State share.--100 percent. Local share.--None	Extent ticipat
SPECIAL SCHOOLS (326.510)	$ 488,831 (.50%)		
	The schools are administered by the districts in which they are located; the schools are reimbursed on a contractual basis.	State share.--100 percent of the cost of operating three special schools. Local share.--None.	Require tract w Educati Extent tricts.

968-69 --continued

funds for the public schools and for program participation

t of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 106,650 (.11%) tricts are reimbursed for educating ils living on State tax-exempt prop- y. The amount reimbursed is equal to difference between the net operating enditures per pupil plus reasonable t of transportation, and the average eipts of the district per pupil from nty, State and Federal sources.	State share.--Each district receives the local contribution portion of current costs per ADM. In the event sufficient funds are not available to reimburse the full amount, the district receives its pro rata share. Local share.--No local share is needed if State fund is adequate.	Requirements for participation.--Must have children in district schools who live on State-owned property. Extent of participation.--45 school districts.
$ 603,125 (.62%) advantaged child payments to districts h at least 50,000 ADM for programs for ldren who, in their backgrounds are ially or culturally deprived to such egree that without supplemental fac- ties and service they cannot profit the regular school program to the e extent as children with normal kgrounds.	State share.--100 percent or an amount equal to the total cost of the approved program or service provided. Local share.--None.	Requirements for participation.--District must have at least 50,000 ADM. Extent of participation.--1 school district.
$ 54,416 (.06%) fund pays tuition and living expenses deaf-blind children in out-of-State titutions for a suitable instruction- program where available.	State share.--100 percent. Local share.--None	Extent of participation.--No district participation.
$ 488,831 (.50%) schools are administered by the dis- cts in which they are located; the ools are reimbursed on a contractual is.	State share.--100 percent of the cost of operating three special schools. Local share.--None.	Requirements for participation.--By contract with the State Department of Education. Extent of participation.--3 school districts.

Provisions for Raising School Revenue

Property assessments.--Property valuations for taxation purposes, determined by elected county assessors, are subject to review and revision by the county board of equalization and the State Tax Commission. Assessors are required by statute to determine an annual ratio between assessed value and "true cash value." This ratio is subject to review and revision by the county board of equalization and, finally, by the State Tax Commission, which has the duty of equalizing property valuations both within and between the several counties. If the State Tax Commission finds that the ratio approved or determined by the county board of equalization differs by 10 percent or more, either above or below, from the ratio determined by the Commission, the Commission ratio is used.

The State Tax Commission has authority to enter into agreements with counties for carrying out property tax appraisal programs and is required to carry on a continuing study for the purpose of equalizing property values within and between the counties. The statutory standard for valuing property is true cash value, which is defined as market value.

Each county is required to establish a County School Fund and levy for this fund an amount at least equal to the lesser of (1) the minimum amount it was required to levy for the purpose of the county school fund in the tax year 1965-66 or (2) $10 per capita for all children within the county between the ages of 4 and 20 years, as shown by the preceding school census.

No limit to the county levy for schools is prescribed if properly voted. However, the total county levy, in which is included the County School Fund levy, may not be increased in any year beyond 6 percent above the highest levy of the 3 previous years in which such levy was made without a special vote of the people. This limit excludes debt service levies and special levies voted by the people. The principal revenue sources **for the County School Fund are** property taxes and Federal forest fees.

Intermediate districts.--An intermediate district of a given county is comprised of all school districts whose administrative office is in that county. Its boundary is not necessarily coterminous with county lines. An intermediate district may provide administrative, instructional, and supervisory services for the local school districts within its jurisdiction.

Taxes levied by intermediate districts are determined under one of two distinct statutory procedures. Under the first, the intermediate district is authorized to levy, subject to the 6 percent constitutional limitation, a tax sufficient to pay its own operating expenses, an amount which it may set aside for distressed districts and 50 percent of operating expenditures of all component school districts, as estimated by formula. Except for amounts retained for school district board and staff expenses and for distressed districts, such receipts are distributed among the school districts in proportion to each district's average daily membership (ADM). **Twenty-five of** the intermediate districts determine their levies in this manner.

Under the second procedure,
limitation, is determined by the
the intermediate education distri
mediate district board, of all co
the appropriation for board and s
among the school districts in the
is to the total of all such levie
districts.

Local districts.--Without a
increase its levy for current ope
the highest levy of the previous
special increases voted by the pe
There are no limits on local dist
operating purposes with a favorab
for debt service are not subject
The property tax is the source of
from local sources.

Provisions for School Indebtednes

Initiating bond issues.--Loc
for the issuance of school bonds.
10 percent or 10[illegible] whichever is t
petition the board to hold such a
for capital outlay, including sch
indebtedness.

Limitations on issuance of b
be retired within 20 years from t
and 25 years from first date of i

Limitations on debt.--Provis
districts in Oregon are containe
may not exceed .55 of 1 percent f
percent for each grade 9 through
These limits are based on the tot
trict, which is the value determi
true cash value.

The State Tax Commission det
tax ratios. Only the State Legis

Voting requirements.--Schoo
by favorable vote of a majority
pate in the election. Qualifie
ously resided in the school distr
and were registered in the distri

Approval and sale of bonds.-
agencies is required for bond is
voted. Bonds are usually sold o
vision in the law requiring an a
Funds from the sale of bonds tha

for taxation purposes, determined
iew and revision by the county
ion. Assessors are required by
sessed value and "true cash value."
the county board of equalization
has the duty of equalizing property
counties. If the State Tax Commis-
d by the county board of equaliza-
e or below, from the ratio
tio is used.

enter into agreements with
programs and is required to
equalizing property values within
rd for valuing property is true

chool Fund and levy for this fund
e minimum amount it was required
nd in the tax year 1965-66 or
county between the ages of 4 and
s.

prescribed if **properly** voted.
uded the County School Fund
percent above the highest levy
nade without a special vote of
evies and special levies voted by
he County School Fund are

istrict of a given county is
rative office is in that county.
county lines. An intermediate
al, and supervisory services for
on.

determined under one of two
the intermediate district is
titutional limitation, a tax
amount which it may set aside
ting expenditures of all
ula. Except for amounts retained
for distressed districts, such
cts in proportion to each dis-
ive of the intermediate districts

Under the second procedure, the authorized levy, subject to the 6 percent limitation, is determined by the amount required for the operating expenses of the intermediate education district plus the levies, as approved by the intermediate district board, of all component school districts. After setting aside the appropriation for board and staff expenses, the revenue is distributed among the school districts in the proportion that each approved district levy is to the total of all such levies. There are 4 such intermediate school districts.

Local districts.--Without a vote of the people, the local board may increase its levy for current operating expenses not more than 6 percent above the highest levy of the previous 3 years, exclusive of debt service levies and special increases voted by the people. This is a constitutional provision. There are no limits on local district taxes which might be levied for current operating purposes with a favorable vote of the qualified electors. Levies for debt service are not subject to the 6 percent constitutional provision. The property tax is the source of practically all revenue for schools derived from local sources.

Provisions for School Ind[illegible]ness

Initiating bond issues.--Local boards of education may call an election for the issuance of school bonds. School bond elections shall be held when 10 percent or 10[illegible] whichever is the lesser, qualified voters of the district, petition the board to hold such an election. Bonds may be issued to provide for capital outlay, including school buses, and to fund or refund outstanding indebtedness.

Limitations on issuance of bonds.--All bonds must be serial. They must be retired within 20 years from the date of the first principal payment made and 25 years from first date of issue.

Limitations on debt.--Provisions regarding debt limitations for school districts in Oregon are contained in the statutes. Aggregate indebtedness may not exceed .55 of 1 percent for each grade from 1 through 8, .75 of 1 percent for each grade 9 through 12, and 1.5 percent for community colleges. These limits are based on the total value of all taxable property in the district, which is the value determined by increasing the assessed value to the true cash value.

The State Tax Commission determines actual value by means of equalizing tax ratios. Only the State Legislature has the authority to fix the debt limit.

Voting requirements.--School bonds must be approved in a special election by favorable vote of a majority of the qualified registered voters who participate in the election. Qualified registered voters are those who have continuously resided in the school district 6 months immediately prior to the election and were registered in the district 30 days prior to the election.

Approval and sale of bonds.--No further approval by local or State agencies is required for bond issues which have been properly authorized and voted. Bonds are usually sold on a fixed interest basis. There is no provision in the law requiring an a priori offer of bonds to a State agency. Funds from the sale of bonds that are not immediately needed may be invested.

Provisions for School Indebtedness--continued

Bond records, tax levies, and payments.--All school bond records are kept by the county treasurer. He examines the budgets of school districts which have bonded indebtedness to determine that adequate levies are provided to retire the indebtedness. If the budget includes no such provision, he certifies the necessary levy. Tax levies needed to retire school bond indebtedness are not subject to the limitations imposed on tax levies for current operating expenses.

Short-term indebtedness.--The school board of any district may contract indebtedness by the issuance of warrants or short-term promissory notes. In the exercise of such authority, the board may contract or refund short-term loans which shall at no time exceed in the aggregate 80 percent of the ad valorem taxes upon real and personal property theretofore levied and remaining uncollected for such school district for the tax year in which the warrants or notes are issued; and 80 percent of other budgeted and unpledged revenues which the district school board estimates will be received from other sources during such tax year.

The board also has the option of borrowing on its negotiable short-term promissory note an amount not to exceed 80 percent of the ad valorem taxes levied and in process of collection for the current year, and for the two years next preceding, and the full amount of other budgeted and unpledged revenues which the board estimates will be received from other sources during the remainder of the fiscal year. Such warrants and loans must be retired out of the first revenues which become available to the district. The school board is not required to obtain the consent of the voters for short-term indebtedness.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--All local school districts, intermediate education districts, and area education districts (community colleges) are subject to the procedure governing the development and administration of budgets set forth in the local budget law. Budgets are prepared by a budget officer appointed by the school

board. A budget committee consisting of the
number of electors and freeholders appointe
if deemed advisable, and approves the budget
then published for a specified period of tim
the budget, except for the Portland School D
Intermediate Education District, whose budge
examination to a budget council called the T
Commission. In all school districts, the le
is subject to the 6 percent constitutional l
tation a vote of the electors is required.

The Tax Supervising and Conservation Co
County. By statutory mandate the Commission
the budgets of the districts exceeding 100,0
District and Multnomah County Intermediate E
school districts of the county are required
Commission for review only. However, these
conducting their own public hearings or of r
conduct their budget hearings. If the Commi
school board is required to be present at th

If a district fails to impose a levy su
and interest on bonds, the county treasurer
necessary to the governing body of the count

State review or approval.--The State h
of local budgets and to review such budgets
Budget Law. The State Tax Commission on ap
any levy which is not made lawfully.

Provisions for School Audits

An audit of the financial records of a
made annually by competent accountants who
Board of Accountancy to conduct municipal a
either contract directly with such auditor
education district in which it is located t
the local district.

school bond records are kept
of school districts which
te levies are provided to
no such provision, he
to retire school bond indebted-
n tax levies for current

f any district may contract
t-term promissory notes.
contract or refund short-
ggregate 80 percent of the ad
retofore levied and remaining
year in which the warrants or
and unpledged revenues which
ived from other sources during

n its negotiable short-term
t of the ad valorem taxes
nt year, and for the two years
eted and unpledged revenues
ther sources during the
loans must be retired out of
district. The school board is
for short-term indebtedness.

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intermediate education districts,
) are subject to the procedure
budgets set forth in the local
ficer appointed by the school

board. A budget committee consisting of the school board and an equivalent number of electors and freeholders appointed by the board reviews, revises, if deemed advisable, and approves the budget. A summary of the budget is then published for a specified period of time preceding a public hearing of the budget, except for the Portland School District and Multnomah County Intermediate Education District, whose budgets shall be submitted for examination to a budget council called the Tax Supervising and Conservation Commission. In all school districts, the levy necessary to balance the budget is subject to the 6 percent constitutional limitation. To exceed such limitation a vote of the electors is required.

The Tax Supervising and Conservation Commission exists only in Multnomah County. By statutory mandate the Commission conducts the public hearings on the budgets of the districts exceeding 100,000 population (Portland School District and Multnomah County Intermediate Education District). All other school districts of the county are required to submit their budgets to the Commission for review only. However, these districts have the option of conducting their own public hearings or of requesting the Commission to conduct their budget hearings. If the Commission conducts the hearings, the school board is required to be present at the hearing of its budget.

If a district fails to impose a levy sufficient to pay the principal and interest on bonds, the county treasurer shall certify the amount necessary to the governing body of the county which shall then make the levy.

State review or approval.--The State has authority to require copies of local budgets and to review such budgets for compliance with the Local Budget Law. The State Tax Commission on appeal has authority to reduce any levy which is not made lawfully.

Provisions for School Audits

An audit of the financial records of all districts is required to be made annually by competent accountants who are authorized by the State Board of Accountancy to conduct municipal audits. A local district may either contract directly with such auditor or may authorize the intermediate education district in which it is located to contract with an auditor for the local district.

PENNSYLVANIA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

PENNSYLVANIA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Dean S. Hartman, Director of Statistics, Pennsylvania State Department of Public Instruction, served as the State authority for preparation and review of this document.

Selected Program Facts

STATE SUPPORT

1. Approximately 44 percent of the nonfederal revenue for public elementary and secondary schools, including only State, county, and local revenue receipts, is provided by the State. More than 95 percent of the State reimbursements are paid to local school districts on the basis of the previous year's approved expenditure pattern, and not on a current school year basis.

2. State grant funds are provided mainly by legislative appropriations.

3. Two State distributions for general operating expenditures, the basic foundation subsidy and the professional employee bonus payment, for the support of public schools appropriation account for 76.9 percent of the monies allotted. Three separate distributions school rental construction, special education, and pupil transportation account for 6.3, 4.6, and 4.1 percent respectively or a total of 15.0 percent.

4. The other major distributions which provide for 8.1 percent of State support are for community colleges and technical institutes, vocational education, health services, education of blind, deaf and partically sighted, tuition for nonresident orphans and foster children placed in private homes or institutions, and a few other minor subsidies.

5. Over 72.5 percent of the State monies distributed to public schools are allocated on a varying percent (Aid Ratio) of school costs up to a designated amount. This Aid Ratio depends on the equalized valuation of local real property for resident weighted pupil in relation to the State average equalized valuation per weighted pupil. The statewide market value per weighted pupil is divided into the district value per weighted pupil, and the resultant quotient is then multiplied by 50 percent. This last number or (percent) is subtracted from 1.0000 and the remainder becomes

LOCAL SUPPORT

1. Approximately 77 percent of the local revenue for public school support is obtained from current property taxes. The remaining 23 percent is obtained from nonproperty revenue sources such as per capita, income, amusement, real estate transfer, mercantile, occupational taxes, and a few minor sources.

2. The only local tax rate used in the calculation of the State reimbursement fraction is the 4.000 mills for the capital account reimbursement fraction.

3. Maximum tax levies for public education are 21 mills for first-class districts, 17 mills first-class A, 25 mills for second-class districts, third- and fourth-class districts. Additional levy amounts are authorized to pay rentals due school building authorities, teacher salaries, liquidation of specified bond issues, and approval of emergency projects.

4. Bonds may be issued up to 15 percent of the local assessed valuation. Up to 5 percent of this limit may be issued by board action without electorate approval.

5. Tax rates for debt service must come within the limits of the levies prescribed for the current program.

Selected Program Facts

STATE SUPPORT--continued

5.--continued.
the State's share or Aid Ratio. Only selected items of current expenditure may be included for State support reimbursement. Federal funds are deducted from expenditures in determining the amount of State aid in which a district can qualify.

6. The State's share of the total reimbursable cost is based on the lesser of (1) the "actual expense" per weighted pupil or (2) a maximum amount fixed by the General Assembly ($400 in 1968-69) multiplied by the districts' Aid Ratio. No school district can receive less than $40 per WADM. This is essentially the formula for the Foundation Program.

7. In addition to the Basic Foundation Program, the school districts are paid $90 per eligible child. The basis is the number of children ages 5 to 17 inclusive of families with less than $2,000 annual income, plus the number of children in families with more than $2,000 annual income receiving payments from the Commonwealth on account of aid to dependent children. School districts are also eligible for additional subsidy providing they qualify for density and sparsity payments based on census population criteria. The density factor applies to school districts whose census population exceeds 10,000 per square mile. A sparsity factor applies to districts whose population is less than 50 per square mile. The excess expenditure, over $400, per weighted ADM, is limited to $150 per weighted ADM, payable in 1968-69. This excess amount, over $400, is then multiplied by the Aid Ratio or .375 whichever is greater. Also a minimum payment of $30 is provided per weighted pupil in ADM.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support the calculated State program allowa
Total	$789,389,984 (100.0%)	
GENERAL FUND, FOUNDATION PROGRAM--Basic Support Portion. (Selected expenditures, grades K-12) (Secs. 2501 to 2525.)	$562,571,271 (71.3%) Approved amount expended per WADM -$400 maximum.	State share.--State support for approv operating expenditures based on an equ zation principle. Aid Ratio times the WADM times the app per pupil cost of instruction (or $400 whichever is less,) but not less than per WADM. Method for computing Aid Ratio. Obtai Market Value of real property of distr fixed by State Tax Equalization Board. vide by weighted district WADM. This divided by statewide Market Value per The result is the State-local ratio. local ratio multiplied .50 becomes dis share. District share subtracted from 1.000. The result becomes State's sha Aid Ratio.
Half-day kindergarten............	.5 weighted pupils per child in ADM.	
Full-day kindergarten and elementary..........................	1.0 weighted pupils per child in ADM.	
Secondary.......................	1.36 weighted pupils per child in ADM.	
Population density and sparsity..	Additional allowance per WADM in excess of $400 for districts which have a population exceeding 10,000 persons per square mile. Maximum reimbursable excess expenditure limit, $150.	[Actual expenditures per WADM-$400] mu plied by Aid Ratio or .375 whichever i greater. Minimum guarantee $30 per WA
Low Income Families--Poverty Factor--Children age 5 to 17.....	Additional allowance of $90 per pupil (5-17) to district of residence of families having annual income less than $2,000, also of families having annual income in excess of this amount but which receive State payments on account of children under Title IV of the Social Security Act.	Local share.--All additional amounts no ered by reimbursement.
OBLIGATIONS AND RENTALS TO SCHOOL BUILDING AUTHORITY (Public School Code of 1949, Secs. 2572, 2574, 2575, and 2578.) (Grades K-12)	$ 50,000,000 (6.3%)	
Capital outlay....................	Approved cost of the project.	State share.--Capital Account Reimbur Fraction multiplied by the approved c project.
Elementary school...............	$1,600 multiplied by the rated pupil capacity plus an amount not to exceed 5 percent for grading, site preparation, and sewage plant.	Computation of quotient (q) Quotient = $4,500 - (Market Value Per ing Unit x .004 / $4,500

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State funds for the public schools and for program participation

percent of State funds for school support, n of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . . . . $789,389,984 (100.0%)		
$562,571,271 (71.3%)		
Approved amount expended per WADM -$400 maximum. . .5 weighted pupils per child in ADM. . 1.0 weighted pupils per child in ADM. . 1.36 weighted pupils per child in ADM.	State share.--State support for approved operating expenditures based on an equalization principle. Aid Ratio times the WADM times the approved per pupil cost of instruction (or $400, whichever is less,) but not less than $40 per WADM. Method for computing Aid Ratio. Obtain Market Value of real property of district fixed by State Tax Equalization Board. Divide by weighted district WADM. This is divided by statewide Market Value per WADM. The result is the State-local ratio. State-local ratio multiplied .50 becomes district share. District share subtracted from 1.000. The result becomes State's share or Aid Ratio.	Requirements for participation.--Operate public schools and levy a school tax. Extent of participation.--742 school districts. Distributed.--To all districts in November and April.
. Additional allowance per WADM in excess of $400 for districts which have a population exceeding 10,000 persons per square mile. Maximum reimbursable excess expenditure limit, $150.	/Actual expenditures per WADM-$400/ multiplied by Aid Ratio or .375 whichever is greater. Minimum guarantee $30 per WADM.	
. Additional allowance of $90 per pupil (5-17) to district of residence of families having annual income less than $2,000, also of families having annual income in excess of this amount but which receive State payments on account of children under Title IV of the Social Security Act.	Local share.--All additional amounts not covered by reimbursement.	
$ 50,000,000 (6.3%)		Requirements for participation.--District must need additional school facilities and new construction plans must conform with county plan for reorganization of school districts. District must possess the approved necessary financial resources to meet its part of the cost of the proposed building program.
. Approved cost of the project.	State share.--Capital Account Reimbursement Fraction multiplied by the approved cost of project.	Extent of participation.--653 school districts. Distributed.--To all districts in November and April.
. $1,600 multiplied by the rated pupil capacity plus an amount not to exceed 5 percent for grading, site preparation, and sewage plant.	Computation of quotient (q) $\text{Quotient} = \dfrac{\$4{,}500 - (\text{Market Value Per Teaching Unit} \times .004}{\$4{,}500}$	

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for sup the calculated State program al
OBLIGATIONS AND RENTALS TO SCHOOL BUILDING AUTHORITY--continued		
Secondary school.................	$2,300 multiplied by the rated pupil capacity plus an amount not to exceed 5 percent for grading, site preparation, and sewage plant.	--Computation of Capit Reimbursement Fraction (CARF). Le proved before March 22, 1956. If .5999 or less, reimbursable rental
Area Vocational-technical school.	$2,200 multiplied by the rated pupil capacity if contract awarded or lease approved prior to July 1, 1966, plus 5 percent additional - same as above.	--If q is greater than reimbursable rental x q^2. Leases on or after March 22, 1956. If q or less, reimbursable rental x (.5 .25 q).
Rental paid for leases approved to State School Building Authority, or a nonprofit corporation..	$3,000 multiplied by the rated pupil capacity if contract awarded or lease approved on or after July 1, 1966, plus 5 percent additional - same as above.	If q is greater than .4999, reimbu rental x q^2. Density districts a teed no less than 50 percent of th ed cost.
SUPPORT OF PUBLIC SCHOOLS--SPECIAL EDUCATION PROGRAM (Public School Code of 1949, Secs. 1371, 1372, 1376, and 2509.)	$ 36,000,000 (4.6%)	Local share.--All costs not covere bursement.
	Amount expended per WADM in excess of the regular per WADM expenditure. District operated special classes.	State share.--The difference betw approved instructional cost in th program and the cost to educate t in a special program. Local share.--Balance of program
	County-operated special classes.	State share.--The difference betw ed tuition rate of the resident p the actual approved instruction c pupil attending special county cl Local share.--Balance of program
	Department of Public Instruction Operated Special Schools. Amount per pupil.	State share.--Balance of cost. Local share.--Resident district p cent of tuition cost.
	Approved Day Schools for Socially and Emotionally Disturbed Students Students between ages 6 and 21.	State share.--75 percent of appro tion cost, not to exceed $1,500 year. Local share.--Resident district cent of approved tuition.
	Students under 6 years and over 21 years attending approved schools.	State share.--Approved tuition c exceed $1,500 per year. Local share.--Resident district balance, if any.

PPORT, 1968-69--continued

State funds for the public schools and for program participation

	percent of State funds for school support, ion of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
...	$2,300 multiplied by the rated pupil capacity plus an amount not to exceed 5 percent for grading, site preparation, and sewage plant.	Computation of Capital Account Reimbursement Fraction (CARF). Leases approved before March 22, 1956. If q is .5999 or less, reimbursable rental x .50 q.	Requirements for participation.--District must need additional school facilities and new construction plans must conform with county plan for reorganization of school districts. Extent of participation.--653 school districts. Distributed.-Annual reimbursement as applications are approved.
ol.	$2,200 multiplied by the rated pupil capacity if contract awarded or lease approved prior to July 1, 1966, plus 5 percent additional - same as above.	--If q is greater than .5999, reimbursable rental x q^2. Leases approved on or after March 22, 1956. If q is .4999 or less, reimbursable rental x (.50 q^2 + .25 q).	
d r- n..	$3,000 multiplied by the rated pupil capacity if contract awarded or lease approved on or after July 1, 1966, plus 5 percent additional - same as above.	If q is greater than .4999, reimbursable rental x q^2. Density districts are guaranteed no less than 50 percent of the approved cost.	
L	$ 36,000,000 (4.6%)	Local share.--All costs not covered by reimbursement.	Requirements for participation.--Conduct classes for mentally or physically handicapped (exceptional children) which meet State-accepted standards.
376,			
	Amount expended per WADM in excess of the regular per WADM expenditure.	State share.--The difference between the approved instructional cost in the regular program and the cost to educate the child in a special program.	Extent of participation.--64 counties and 535 school districts.
	District operated special classes.	Local share.--Balance of program cost.	Distributed.--Advance payment to counties for transportation and instruction costs of county-operated classes for exceptional children. School districts receive reimbursements according to State requirements.
	County-operated special classes.	State share.--The difference between approved tuition rate of the resident pupil and the actual approved instruction cost of the pupil attending special county classes. Local share.--Balance of program cost.	School districts - May County-operated - January and July.
	Department of Public Instruction Operated Special Schools. Amount per pupil.	State share.--Balance of cost. Local share.--Resident district pays 10 percent of tuition cost.	
	Approved Day Schools for Socially and Emotionally Disturbed Students Students between ages 6 and 21.	State share.--75 percent of approved tuition cost, not to exceed $1,500 per school year. Local share.--Resident district pays 25 percent of approved tuition.	
	Students under 6 years and over 21 years attending approved schools.	State share.--Approved tuition cost not to exceed $1,500 per year. Local share.--Resident district pays the balance, if any.	

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for suppor the calculated State program allow
EQUALIZING TRANSPORTATION FUND (Public School Code of 1949, Secs. 1361, 2509.1, 2541, 2542, and 2543)	$32,000,000 (4.1%)	
Transportation including vehicle purchase by school districts....	Approved cost of pupil transportation, also approved cost of district-owned vehicles. In addition the payment of board and lodging in lieu of transportation.	State share.--Aid Ratio multiplied by approved cost. **Annual depreciation charge per vehicl to exceed $700, payments not to excee proved cost of vehicle. The total de ciation charge or payment by State sh exceed $10,500 per vehicle. Cost of and lodging multiplied by Aid Ratio. share not to exceed $1 per day.**
COMMUNITY COLLEGES AND TECHNICAL INSTITUTES FUND (Public School Code of 1949, Secs. 5201 and 5214)	$14,783,763 (1.9%)	
Operations ($8,873,980).........	Amount per full-time student computed on a maximum expenditure of $1,000 for school year.	State share.--One-third of approved c ing expenditure computed on a maximum $1,000. Local share.--Participating school di and student pay the remaining share c
Capital outlay ($5,909,783).....	Cost of approved capital expenditures amounting to 50 percent.	State share.--100 percent of the calc amount. Equal to (50 percent of annu ital expenses).
VOCATIONAL EDUCATION FUND (Public School Code of 1949, Secs. 1146, 1802, 2502, 2504.3, 2506, 2507, 2508.1, and 2508.3)	$13,400,000 (1.7%)	Local share.--Participating school di pay the remaining costs.
	On a per-pupil basis depending on program.	State share.--
	Home economics	$20 per pupil in ADM.
	Agriculture	$35 per pupil in ADM.
	Industrial education	$35 per pupil in ADM.
	Distributive education	$50 per pupil in ADM.
	Vocational extension and preemployment training.	**80 percent of vocational teachers, s visors compensation with maximum of hour.**
	Travel expense.	80 percent per approved travel of te supervisors, and directors of vocati education.
	Area technical schools.	Up to 50 percent for purchase and im ment of equipment.

PENNSYLVANIA

1968-69--continued

funds for the public schools and for program participation

nt of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$32,000,000 (4.1%)		
proved cost of pupil transportation, so approved cost of district-owned hicles. In addition the payment of ard and lodging in lieu of transportaon.	State share.--Aid Ratio multiplied by the approved cost. **Annual depreciation charge per vehicle, not to exceed $700, payments not to exceed approved cost of vehicle. The total depre**ciation charge or payment by State shall not exceed $10,500 per vehicle. **Cost of board and lodging multiplied by Aid Ratio. State share not to exceed $1 per day.**	Requirements for participation.--District must provide transportation under circumstances which entitle it to reimbursement. Extent of participation.--694 school districts. Distributed.--Annual reimbursement as applications are approved.
$14,783,763 (1.9%)		
ount per full-time student computed on maximum expenditure of $1,000 for hool year.	State share.--One-third of approved operating expenditure computed on a maximum of $1,000. Local share.--Participating school district and student pay the remaining share costs.	Requirements for participation.--Approved area community and county community junior colleges receive reimbursement for instructional services on a student basis per semester credit. In addition the State participates in paying for a portion of the approved capital outlay.
st of approved capital expenditures ounting to 50 percent.	State share.--100 percent of the calculated amount. Equal to (50 percent of annual capital expenses).	Extent of participation.--12 community junior colleges.
$13,400,000 (1.7%)	Local share.--Participating school districts pay the remaining costs.	Distributed.--Annual reimbursement as applications are approved.
a per-pupil basis depending on program.	State share.--	Requirements for participation.--Schools must be conducting vocational classes and programs organized in accordance with standards and criteria prescribed by the State plan. Area vocational-technical school building construction must also meet regulations prescribed by the State.
me economics	$20 per pupil in ADM.	
riculture	$35 per pupil in ADM.	
dustrial education	$35 per pupil in ADM.	
stributive education	$50 per pupil in ADM.	
cational extension and preemployment aining.	**80 percent of vocational teachers, supervisors compensation with maximum of $4 per hour.**	Extent of participation.--712 school districts.
vel expense.	80 percent per approved travel of teachers supervisors, and directors of vocational education.	Distributed.--In June.
a technical schools.	Up to 50 percent for purchase and improvement of equipment.	

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirem distric for
VOCATIONAL EDUCATION FUND--continued			
	Area vocational-technical schools.	Approved per pupil cost in excess of actual instruction cost in regular high school program, and may not exceed $75 over the regular high school cost per pupil. Local share.--All costs not covered by reimbursement.	
HEALTH SERVICES FUND (Public School Code, 1949, Secs. 1401 through 1422 and 2505.1. Also 1963, P.L. 1381.)	$12,225,000 (1.5%)		
Medical examination............	Not exceeding 80 cents per pupil examined multiplied by number of pupils with comprehensive health record.	State share.--100 percent of calculated amount. Local share.--All costs not covered by reimbursement.	Requirem district at least reimburs and dent Payments municipa of sewag cannot e construc pupils i of pupil nations Extent o Distribu payment.
Dental examination.............	Not exceeding 40 cents per pupil examined multiplied by number of pupils with comprehensive health record.		
School nurse....................	Not exceeding $3.50 per pupil multiplied by number of pupils enrolled.		
Dental hygienist................	Not exceeding $1 per pupil enrolled multiplied by number of pupils enrolled in lieu of subsidy for dental service, for oral hygienist.		
EDUCATION OF THE DEAF, BLIND, AND PARTIALLY SIGHTED AND PALSIED. (Public School Code, 1949, Secs. 1373.1, 1376, and 1377.)	$ 8,053,400 (1.0%)		
	Cost of approved program and expenditure.	State share.--75 percent cost of tuition and maintenance. 100 percent cost if district of residence cannot be established or if person is under 6 or over 21 years of age. Reimburses on equalization basis, the cost of readers, helpers, guides, etc., applicances, etc. for pupils enrolled in public schools. Three dollars per day to certain institutions for educating children under 8 years of age. Local share.--All costs not covered by State reimbursements.	Requirem and appr reimburs structio and pals Extent o tricts-- 9 out of Distribu

or the public schools and for program participation

ate funds for school support, t allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ional-technical schools. $12,225,000 (1.5%)	Approved per pupil cost in excess of actual instruction cost in regular high school program, and may not exceed $75 over the regular high school cost per pupil. Local share.--All costs not covered by reimbursement.	
ing 80 cents per pupil examinied by number of pupils with ive health record. ing 40 cents per pupil examinied by number of pupils with ive health record. ing $3.50 per pupil multiumber of pupils enrolled. ing $1 per pupil enrolled by number of pupils enrolled subsidy for dental service, ygienist. $ 8,053,400 (1.0%)	State share.--100 percent of calculated amount. Local share.--All costs not covered by reimbursement.	Requirements for participation.--School districts must operate for a full term, at least 180 of approved school days for reimbursement pertaining to nurses, doctors and dentists, and certain other expenses. Payments are made to municipalities or municipal authorities for the approved cost of sewage treatment plants. Annual payments cannot exceed 2 percent of total cost of construction, etc. Health examinations of pupils in 6 and 11 grades, dental examinations of pupils in 3 and 7 grades. Biennial examinations of all school employees. Extent of participation.--742 school districts. Distributed.--As applications are approved for payment.
pproved program and expenditure	State share.--75 percent cost of tuition and maintenance. 100 percent cost if district of residence cannot be established or if person is under 6 or over 21 years of age. Reimburses on equalization basis, the cost of readers, helpers, guides, etc., applicances, etc. for pupils enrolled in public schools. Three dollars per day to certain institutions for educating children under 8 years of age. Local share.--All costs not covered by State reimbursements.	Requirements for participation.--Districts and approved private institutions receive reimbursement for which facilities and instruction for deaf, blind, partially sighted and palsied pupils are furnished. Extent of participation.--402 school districts--29 institutions in Pennsylvania and 9 out of State. Distributed.--Quarterly upon approval.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requ dis
TUITION FOR NONRESIDENT ORPHANS AND FOSTER CHILDREN FUND. (Public School Code of 1949, Secs. 1305, 1306, 2503, and 2509.1)	$4,000,000 (0.5%)		
	Calculated tuition rate of the district of pupil attendance.	State share.--100 percent of the approved calculated tuition rate. Local share.--District of pupil attendance pays all costs in excess of this allowance.	Requ ing s fee h to nc in pr resic Exte place 405 s Nonre tutic Dist
COUNTY SUPERVISORY EXPENSES FUND (Public School Code, 1949, Secs. 1066, 1067, 1068, 924, and 925.)	$3,864,800 (0.5%)		
County superintendent salary - minimum..............	$13,000 - $15,000 per superintendent based upon county population.	State share.--100 percent of the State mandated salary. Local share.--All costs in excess of State-mandated salary.	Requ must coun tion Inst
Assistant superintendent (county) salary - minimum......	$12,500 in all counties.	State share.--100 percent of the State mandated salary. Local share.--All costs in excess of State-mandated salaries.	Exte tric Dist
County supervisors of special education, etc. - minimum......	$12,000 in all counties.	State share.--100 percent of the State mandated salary. Local share.--All costs in excess of State-mandated salary.	
Travel expenditures for above officials.................	Approved travel expenses.	State share.--100 percent of approved calculated amount. Local share.--All costs not covered by State approved expenditures.	
County board member fee and solicitor fee.............	$10 per county board member per meeting up to $120 per year and legal service fee not in excess of $100.	State share.--100 percent of the State mandated salary. Local share.--All costs not covered by State approved expenditures.	

PENNSYLVANIA

-69--continued

s for the public schools and for program participation

State funds for school support, rict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$4,000,000 (0.5%)		
ted tuition rate of the district attendance.	State share.--100 percent of the approved calculated tuition rate. Local share.--District of pupil attendance pays all costs in excess of this allowance.	Requirements for participation.--Receiving school district will be paid a tuition fee by the State for providing education to nonresident orphaned children placed in private homes by court order and nonresident inmates of children's institutions. Extent of participation.--Nonresident child placed in home of resident, Section 1305. 405 school districts.
$3,864,800 (0.5%)		Nonresident inmates of children's institutions, Section 1306. 146 school districts. Distributed.--Between October and June.
- $1, 000 per superintendent pon county population.	State share.--100 percent of the State mandated salary. Local share.--All costs in excess of State-mandated salary.	Requirements for participation.--Districts must be under the supervision of the county office and comply with all regulations by the State Department of Public Instruction.
in all counties.	State share.--100 percent of the State mandated salary. Local share.--All costs in excess of State-mandated salaries.	Extent of participation.--529 school districts. Distributed.--Monthly.
in all counties.	State share.--100 percent of the State mandated salary. Local share.--All costs in excess of State-mandated salary.	
travel expenses.	State share.--100 percent of approved calculated amount. Local share.--All costs not covered by State approved expenditures.	
county board member per meeting 120 per year and legal service in excess of $100.	State share.--100 percent of the State mandated salary. Local share.--All costs not covered by State approved expenditures.	

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements district pa for dis
STATE DRIVERS' TRAINING FUND (Public School Code of 1949, Secs. 1519, 1519.1, and 2504.1.)	$3,424,750 (0.4%)		
	$35 per pupil completing the required approved program.	State share.--100 percent of the calculated amount. Local share.--All costs in excess of State allowance.	Requirements one period o weeks, 30 hou and 8 hours must complete be counted. certified.
CLOSED SCHOOL FUND (Public School Code of 1949, Section 2511.)	$2,734,000 (0.3%)		Extent of pa districts. Distributed.
	$200 annually for each school closed permanently except for school districts of the first and second-class and for certain third-class districts.	State share.--100 percent for all approved closed schools. Local share.--None.	Requirements must have pe building sin fourth-class district cot
HOMEBOUND INSTRUCTION FUND (Public School Code, 1949, Sec. 2510.1.)	$ 550,000 (0.1%)		Extent of pa tricts. Distributed.
	Mandated minimum hourly rate ($4 per hour of instruction).	State share.--$4 per hour multiplied by the district's Aid Ratio. Local share.--All costs not covered by reimbursement.	Requirements instruction age by an ap pupil's resi
AID TO FINANCIALLY DISTRESSED DISTRICTS' FUND (Public School Code of 1949, Secs. 691 to 695)	$ 500,000 (0.1%)		Extent of pa tricts. Distributed.
	Amount of approved application.	State share.--100 percent of approved amount. Local share.--All other available resources.	Requirements must be unab ation of its effort and p and meet cer for special Extent of pa Distributed. for payment.

lic schools and for program participation

for school support, es	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
24,750 (0.4%) ting the required	**State share.**--100 percent of the calculated amount. **Local share.**--All costs in excess of State allowance.	**Requirements for participation.**--Provide one period of instruction per week for 36 weeks, 30 hours of classroom instruction, and 8 hours of actual driving. Student must complete the above requirements to be counted. Teachers must be properly certified. **Extent of participation.**--481 school districts. **Distributed.**--February.
34,000 (0.3%) ch school closed or school districts ond-class d-class districts.	**State share.**--100 percent for all approved closed schools. **Local share.**--None.	**Requirements for participation.**--District must have permanently closed a school building since 1911. Applies only to fourth-class districts and third-class district coterminous with a township. **Extent of participation.**--696 school districts. **Distributed.**--In October.
50,000 (0.1%) rly rate ($4 per .	**State share.**--$4 per hour multiplied by the district's Aid Ratio. **Local share.**--All costs not covered by reimbursement.	**Requirements for participation.**--Conduct instruction for a homebound pupil of school age by an approved school teacher at the pupil's residence. **Extent of participation.**--678 school districts. **Distributed.**--In October
00,000 (0.1%) pplication.	**State share.**--100 percent of approved amount. **Local share.**--All other available resources.	**Requirements for participation.**--District must be unable to provide the normal operation of its schools with the required tax effort and program. District must apply and meet certain criteria to be eligible for special assistance. **Extent of participation.**--5 school districts. **Distributed.**--As applications are approved for payment.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
CHILDREN OF MIGRANT LABORERS' EDUCATION FUND (Public School Code of 1949, Sec. 2509.2) $ 28,000 (- 0%) Estimated cost of instructional services	State share.--Approved estimate of the annual cost of operation of a planned summer school plus transportation for children. Local share.--None.
SANITARY SEWAGE DISPOSAL PLANT OPERATION FUND (Act 339 of the 1953 Session of the Pennsylvania General Assembly) $ 165,000 (- 0%) Not exceeding 2 percent of the approved cost of operating sewage disposal plant.	State share.--.2 percent of calculated amount. Local share.-- All costs in excess of State allowance.
PAYMENTS IN LIEU OF TAXES FUND (Public School Code of 1949, Secs. 604, 905, and 2901.) $ 390,000 (- 0%) 8 cents/acre for State forest land, game land, and recreation land. Also current tax rate x assessed valuation for water conservation and flood control in a school district.	State share.--100 percent of calculated amount. Local share.--None.
BONUS--PAYABLE ONLY DURING 1968-69 FUND $44,700,000 (5.7%) $300 per professional employee or 7½ percent increase in its (school district) total basic instruction subsidy. This is optional whichever is most financially beneficial to a school district.	State share.--100 percent of calculated amount. Local share.--None.

ate funds for the public schools and for program participation

rcent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 28,000 (- 0%)		
Estimated cost of instructional services	State share.--Approved estimate of the annual cost of operation of a planned summer school plus transportation for children. Local share.--None.	Requirements for participation.--District must have enrolled a migratory child attending a public school temporarily, whose parent or guardian has seasonal agricultural employment outside of his regular domicile. Extent of participation.--13 school districts. Distributed.--In June or July.
$ 165,000 (- 0%) Ses- embly)		
Not exceeding 2 percent of the approved cost of operating sewage disposal plant.	State share.--2 percent of calculated amount. Local share.--All costs in excess of State allowance.	Requirements for participation.--Department of Health reimburses school districts for the operation of sanitary sewage plants, when such plants are constructed and are part of the school building program. Extent of participation.--48 school districts. Distributed.--Annual payments as applications are approved.
$ 390,000 (- 0%)		
8 cents/acre for State forest land, game land, and recreation land. Also current tax rate x assessed valuation for water conservation and flood control in a school district.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Districts receive an annual fixed charge from the Commonwealth in lieu of taxes for land acquired by State for water conservation, game lands, or flood conservation. Extent of participation.--12 school districts. Distributed.--In October.
$44,700,000 (5.7%)		
$300 per professional employee or 7½ percent increase in its (school district) total basic instruction subsidy. This is optional whichever is most financially beneficial to a school district.	State share.--100 percent of calculated amount. Local share.--None.	Extent of participation.--All school districts.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Local assessors elected by the people, or appointed by municipal officials, establish property assessments. These valuations may be changed by county officials. It is now mandatory for the counties to establish a permanent countywide system of records to be used in reassessing the entire county. To date, 64 of the 67 counties, or 95.5 percent, **completed reassessment.** No local tax rate is required to be levied to participate in the GENERAL FUND.

There is a State Tax Equalization Board, but this Board has no authority to change the assessments. The State Tax Equalization Board compiles information relative to the market value of property used in applying the equalization formula for State subsidies. This Board also determines the percentage relationship of the assessed valuation of taxable real property of each school district to market value. These market values are used in apportioning school aid but do not affect the local assessment level. State officials do not supervise assessment procedures and no State agency has authority to equalize assessments on a statewide basis.

Intermediate districts.--No county school taxes or school funds from county sources are provided.

Local districts.--In the two districts of the first-class and first-class A, the maximum levies are 21 mills and 17 mills for property taxes for public education. For second-, third-, and fourth-class districts, the limit is 25 mills. In addition, second-, third-, and fourth-class districts may levy additional millage if necessary to pay (1) salaries and increments of the teaching and supervisory staff; (2) to pay rentals due any municipality authority or nonprofit corporation or due the State Public School Building Authority; (3) to pay sinking fund charges incurred in connection with school building projects approved by the Department of Public Instruction; and (4) to pay for the amortization of a bond issue which provided a school building prior to the first Monday of July 1959. No fixed millage limit for financially distressed school districts. Emergency need for additional tax millage also can be obtained by approval of the County Court of Common Pleas and Department of Public Instruction.

In addition to a general property tax levy, districts of the second, third, and fourth classes are authorized to levy a tax of the nonproperty kind that is not being levied by the State. Revenues from nonproperty sources* account for approximately 17 percent of local school revenue. These nonproperty taxes include such taxes as per capita, income, amusement, real estate transfer, mercantile, and occupational. The amount raised by this type of levy cannot exceed 12 mills on the market value of a school district. * Act. 511.

Provisions for School Indebtedness

Initiating bond issues.--Bond issues may be initiated by the local school boards for the following purposes: to purchase sites; construct, remodel, or repair school buildings; purchase buses and school equipment; and refund indebtedness under certain conditions.

On the basis of legislation enacted by the 1945 General Assembly, the "Municipal Authorities Act" permits the organization of municipality authorities. Similarly, on the basis of legislation enacted by the 1947 General Assembly, the State Public School Building Authority was established for the purpose of erecting school buildings and providing equipment for the various school districts of the Commonwealth, with the provision that the projects were to be first approved by the State Department of Public Instruction. The passage of Act 627 by the 1951 General Assembly provides subsidies on account of rental for payments made by school districts to municipality authorities and nonprofit
corporations as well as payments to the State Public
Therefore, the initiation of bond issues no longer re
school authorities, but one of the above types of non-
bonds for school construction.

Limitations on issuance of bonds.--The law requi
except for certain small bond issues which do not exc
Present-day investment agencies are insisting on seri
specifies that bonds may not be issued for a longer p
usefulness of the projects.

Limitation on debt.--Statutory limitations provi
may be issued up to 15 percent of the local assessed v
except for first-class and first-class A school distr
to 5 percent, latest legislation. The type of bonds
number of years for which the bonds are issued, are d
boards within the limitations of the "Municipal Borro
Maintenance of a sinking fund is required for all dis
State agency is charged by law with the responsibilit
or approve higher limits in special cases. However,
district may appeal to the State Superintendent of Pu
County Court of Common Pleas for permission to exceed
arily.

Voting requirements.--When properly authorized,
to 5 percent of the assessed valuation of a district
bonds for indebtedness beyond 5 percent must be appro
majority of the qualified electors participating in t

Approval and sale of bonds.--After the election
school district bond issues must be reported and appr
of **Community Affairs**. Bonds sold by school boards mus
par and carry a fixed rate of interest. Bonds sold b
are often sold at a premium. The State does not assi
bonds, and bonds need not be offered first to the ret
other State agency. Funds available from the sale of
required may be invested in securities in accordance

Bond records, tax levies, and payments.--When sc
been issued, the taxes necessary to retire them must
levies must come within the limits of the levies pres
program. Local boards are responsible for payment of
bond records, and determining the funds and levies ne
ment.

Short-term indebtedness.--Local boards may borro
amount of anticipated taxes due and not collected plu
ations due and not received. Provisions for repaymen
be included in the budget for the following year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms are prescribe
State Department of Public Instruction. These budget
receipts and expenditures for the previous year and e
expenditures for the current fiscal year. Local scho
may use supplementary forms or may even use their own
requirements prescribed by the State. Beginning with

corporations as well as payments to the State Public School Building Authority. Therefore, the initiation of bond issues no longer rests entirely upon local school authorities, but one of the above types of non-school agencies may issue bonds for school construction.

Limitations on issuance of bonds.--The law requires that bonds be serial, except for certain small bond issues which do not exceed certain limits. Present-day investment agencies are insisting on serial bonds. The law specifies that bonds may not be issued for a longer period than the estimated usefulness of the projects.

Limitation on debt.--Statutory limitations provide that school bonds may be issued up to15 percent of the local assessed valuation of the district, except for first-class and first-class A school districts which are limited to 5 percent, latest legislation. The type of bonds to be issued and the number of years for which the bonds are issued, are determined by local boards within the limitations of the "Municipal Borrowing Law," 1941, P.L. 159. Maintenance of a sinking fund is required for all districts. Generally, no State agency is charged by law with the responsibility to fix the debt limit or approve higher limits in special cases. However, in cases of emergency a district may appeal to the State Superintendent of Public Instruction also County Court of Common Pleas for permission to exceed the debt limit temporarily.

Voting requirements.--When properly authorized, bonds may be issued up to 5 percent of the assessed valuation of a district without a vote. All bonds for indebtedness beyond 5 percent must be approved in an election by a majority of the qualified electors participating in the election.

Approval and sale of bonds.--After the election the legality of all school district bond issues must be reported and approved by the Department of **Community Affairs**. Bonds sold by school boards must be sold at least at par and carry a fixed rate of interest. Bonds sold by building authorities are often sold at a premium. The State does not assist with the sale of bonds, and bonds need not be offered first to the retirement system or any other State agency. Funds available from the sale of bonds not immediately required may be invested in securities in accordance with the School Code.

Bond records, tax levies, and payments.--When school district bonds have been issued, the taxes necessary to retire them must be levied but these levies must come within the limits of the levies prescribed for the current program. Local boards are responsible for payment of the bonds, handling bond records, and determining the funds and levies necessary for bond retirement.

Short-term indebtedness.--Local boards may borrow funds to the full amount of anticipated taxes due and not collected plus any State appropriations due and not received. Provisions for repayment of amounts unpaid must be included in the budget for the following year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms are prescribed and provided by the State Department of Public Instruction. These budget forms list the actual receipts and expenditures for the previous year and estimated receipts and expenditures for the current fiscal year. Local school systems, however, may use supplementary forms or may even use their own forms if they meet the requirements prescribed by the State. Beginning with the 1962-63 school year,

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Provisions for School Budgets--continued

Budget forms.--continued.

the State fiscal year begins on July 1 and ends on June 30. The school fiscal year is considered as beginning on the first day of July for all districts, except Pittsburgh, Scranton, and Erie where the fiscal year begins January 1 and ends December 31.

Local approval.--Local school boards are responsible for preparing budgets and certifying the necessary tax levies. In districts under the supervision of the county superintendent, chiefly fourth-class districts, the county board of school directors is authorized to review and make suggestions regarding budgets. In some districts a public hearing is held, but this is not required by law. In all districts, a period of public inspection is required. Budgets may be acted on by February, March, April, May, or June, except Pittsburgh, Scranton, and Erie in October and November, and do not require county or local nonschool agency action.

State review or approval.--No State agency has the responsibility for reviewing or approving local school budgets. However, copies of budgets for all districts must be filed with the State Department of Public Instruction 15 days after final adoption.

Provisions for School Audits

School audits are required to be made annually by the controller or auditors of the city, borough, incorporated town, or township, in which the school district is located, or a certified public accountant. All school districts
established as a result of the pro
1963, (P.L. 564) must have audits
a firm of certified public account
ant or a firm of competent indepen
Pittsburgh audits are required to
such audits is borne by the school
reports are filed with the State

The 1957 Session of the Gener
adding a new Sec. 2553 concerning
bursements as follows: Under this
Department of Public Instruction s
and in his discretion may perform
of school districts, examining all
such facilities, supplies and mate
tions of receipts and expenditures
accounts. The Department shall re
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by the Department and shall requir
pertinent records and supporting

In addition, the Fiscal Code
the Auditor General to audit the
An examination is made of the rece
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established as a result of the provisions of the Reorganization Act of August 8, 1963, (P.L. 564) must have audits completed by a certified public accountant, a firm of certified public accountants, a competent independent public accountant or a firm of competent independent public accountants. Philadelphia and Pittsburgh audits are required to be made by the school controller. The cost of such audits is borne by the school districts involved. Copies of all audit reports are filed with the State Department of Public Instruction.

The 1957 Session of the General Assembly amended Sec. 2552 of S.L. 1949 by adding a new Sec. 2553 concerning audits and verifications of rights to reimbursements as follows: Under this new Sec. 2553, the controller of the State Department of Public Instruction shall perform regular audits and field audits and in his discretion may perform special audits and field audits of accounts of school districts, examining all records of receipts and expenditures and such facilities, supplies and materials as may be necessary to verify allocations of receipts and expenditures among and within programs and reimbursement accounts. The Department shall require each school district to submit all of its records bearing on its rights to reimbursements on uniform forms prescribed by the Department and shall require each school district to make available all pertinent records and supporting data or materials to the controller.

In addition, the Fiscal Code of Pennsylvania requires the Department of the Auditor General to audit the accounts and records of all school districts. An examination is made of the receipt and expenditure of the State reimbursement for public education to satisfy the department that the money received from the Commonwealth was spent for the purpose for which it was intended.

RHODE ISLAND

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

RHODE ISLAND PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Edward F. Wilcox, Associate Commissioner, Research and Planning, Rhode Island State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 38 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.

2. State educational support is provided on the basis of four separate distributions one of which aids current expenditure programs, one which provides money for school facilities and two categorical aid distributions for programs for disadvantaged children and handicapped children.

3. Assistance for current expenditures is provided on the basis of variable percentage ratios. Each district receives at least 30 percent of all approved expenditures for current operation, must expend at least $350 per pupil in average daily membership (ADM), and pay beginning teachers at least $4,000 per year. About 83.2 percent of the State funds distributed for the public schools is for this purpose.

4. About 17 percent of State money for public schools is distributed for school housing and disadvantaged and handicapped children.

5. There is a $2 million appropriation to be distributed to local school districts for approved programs for disadvantaged children. A local school district's entitlement to a share of this appropriation is determined on the basis of the latest known ratio which a school district's Title I entitlement under ESEA bears to the total Title I entitlements of the State.

6. There is a $1 million appropriation to be distributed to local school districts for approved programs for handicapped children. A school district's entitlement to a share of this appropriation is determined on the basis of the ratio which the handicapped children in a school district bears to the State total of such children.

LOCAL SUPPORT

1. Local revenue for public elementary and secondary schools is obtained from taxes levied on tangible property and a 4-mill intangibles tax.

2. There are no countywide taxes for school support and there are no nonproperty taxes specifically authorized for local school support.

3. Local districts must provide sufficient operational revenue in 1968-69 so that when added to the State share, the total will amount to at least $350 per pupil in ADM. The State pays at least 30 percent of the cost.

4. Local support for school housing is based on a 13.28-mill tax rate on the equalized weighted assessed valuation, but the State pays at least 30 percent of the cost for each district.

5. School district indebtedness for town and city purposes, including school facilities, is limited to 3 percent of the locally assessed valuation of taxable property, but districts may exceed this limit when authorized to do so by the State legislature.

6. There is no specified limit to the tax rate which may be levied for the payment of debt service.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				**State and local shares the calculated State pr**
Total		$42,300,000	(100.0%)	
SCHOOL OPERATION FUND (Current expense, grades K*- 12) (Title 16, Ch. 7, General Laws of 1956, as amended.)		$35,200,000	(83.2%)	
School operation.................. (current expense, grades K*-12).	Amount expended for current expense. Districts must expend at least $350 per pupil in average daily membership for this purpose, including expenditure of State grants.			State share.-- State share ratio = [1 - (Stan tax $350 (A x 100 * AEWAV -- Adjusted Equal Assessed Valua tangible prope the ratio dist family income median family
Consolidated schools..........	Two percent increase in State share for each grade consolidated into a regional school district for first 2 years after consolidation. This supplement then reduced by .25 of 1 percent per grade per year down to an amount 4 percent above the normal ratio.			
Services for pupils in nonpublic schools..............	Also included are amounts for tuition payments for nonpublic school pupils residing in districts not maintaining public high schools, pupil transportation to nonpublic schools, health services to nonpublic school children. Loans of textbooks in mathematics, science, and modern foreign language may be included. There is no provision for nonpublic school pupils to be enrolled part time for special courses offered only in the public school or to be included in calculation of State aid.			The above ratio multiplie expense equals the State Net resident expense is d tracting P.L. 874 tuition eous income from total ex school operations. Minimum guarantee provide percent of amount expende ratio limit. Local share.--Standard ta tory, but all local reven standard is used in deter port. Standard tax rate of tax rate on the Adjust Weighted Assessed Valuati property to support this
* Kindergarten ADM weighted by .5				
SCHOOL-HOUSING AID PROGRAM FUND (Title 16, Ch. 7, General laws of 1956, as amended.)		$ 4,100,000	(9.7%)	
School-housing aid program.......	Cost of approval new construction, plus allowances for construction completed between June 30, 1949, and January 1, 1960, less P.L. 815 funds.			State share.--Percent of facilities as follows: State share ratio = [1 - (13.28 mills ($350) (ADM The above calculated fig is multiplied by eligible costs. Local share.--P.L. 815 fu from project construction lishing the amount to whi centage for the district

nds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
• • $42,300,000 (100.0%)		
$35,200,000 (83.2%) t expended for current expense. icts must expend at least $350 per in average daily membership for purpose, including expenditure of grants. ercent increase in State share for grade consolidated into a regional l district for first 2 years after lidation. This supplement then ed by .25 of 1 percent per grade ear down to an amount 4 percent the normal ratio. included are amounts for tuition nts for nonpublic school pupils ing in districts not maintaining high schools, pupil transporta- o nonpublic schools, health ser- to nonpublic school children. of textbooks in mathematics, e, and modern foreign language may cluded. There is no provision for lic school pupils to be enrolled ime for special courses offered n the public school or to be in- in calculation of State aid.	State share.-- State share ratio $= \left[1 - \frac{(\text{Standard tax rate})\,(\text{AEWAV})^{*}}{\$350\ (\text{ADM})} \right]$ x 100 * AEWAV -- Adjusted Equalized Weighted Assessed Valuation of real and tangible property modified by the ratio district median family income bears to State median family income. The above ratio multiplied by net resident expense equals the State share entitlement. Net resident expense is determined by subtracting P.L. 874 tuitions and miscellaneous income from total expenditures for school operations. Minimum guarantee provides for at least 30 percent of amount expended; no maximum ratio limit. Local share.--Standard tax rate is mandatory, but all local revenue in excess of standard is used in determining State support. Standard tax rate is 65 percent of tax rate on the Adjusted Equalized Weighted Assessed Valuation of taxable property to support this program.	Requirements for participation.--Provide amount required for State-defined basic program; pay at least a minimum annual teacher salary of $4,000 rising to $6,000 in no more than 12 steps. Meet other salary schedule requirements specified by law. Extent of participation.--40 school districts. Distributed.--In October and April as reimbursement.
$ 4,100,000 (9.7%) f approval new construction, plus nces for construction completed n June 30, 1949, and January 1, less P.L. 815 funds.	State share.--Percent of amount for school facilities as follows: State share ratio $= \left[1 - \frac{(13.28\ \text{mills})\ (\text{EWAV})}{(\$350)\ (\text{ADM})} \right] \times 100$ The above calculated figure divided by 20 is multiplied by eligible new construction costs. Local share.--P.L. 815 funds are deducted from project construction costs in establishing the amount to which the State percentage for the district is applied.	Requirements for participation.--Plans for new school facilities must be submitted to and approved by the State Department of Education. Extent of participation.--38 school districts. Distributed.--Over a 20-year period to meet cost of construction and debt service payments.

RHODE ISLAND

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Requirements for district partici for distribu**
PROGRAMS FOR DISADVANTAGED CHILDREN (Title 16, Ch. 7, General Laws of 1956, as amended.)	$ 2,000,000 (4.7%)		
	The appropriation times the latest known ratio which a school district's Title I of ESEA entitlement bears to the total Title I entitlements of the State.	State share.--100 percent of calculated amount. Local share.-- None.	Requirements for approved by the S cation. Extent of partici Distributed.--On January, April, a
PROGRAMS FOR HANDICAPPED CHILDREN (Title 16, Chapter 7, General Laws of 1956, as amended.)	$ 1,000,000 (2.4%)		
	The appropriation times the ratio which the handicapped children in the district bears to the State total of such children.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for approved by the S cation. Extent of partici Distributed.--On January, April, a

blic schools and for program participation

for school support, ces	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
000,000 (4.7%)		
imes the latest school district's itlement bears to the lements of the State.	State share.--100 percent of calculated amount. Local share.-- None.	Requirements for participation.--Programs approved by the State Department of Education. Extent of participation.--21 districts. Distributed.--On current basis, October, January, April, and June.
,000,000 (2.4%)		
imes the ratio which ldren in the district total of such chil-	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Programs approved by the State Department of Education. Extent of participation.--21 districts. Distributed.--On current basis, in October, January, April, and June.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations for taxation purposes are established by local assessors who may be either appointed or elected officials. Assessment procedures are not supervised by State officials and no State agency has authority to change assessments or to equalize them on a statewide basis. However, the State Division of Local and Metropolitan Government equalizes aggregate valuations among the towns and cities, and certifies equalized valuations to the Commissioner of Education only for the purpose of providing State support to local districts. Local assessments are not affected. Rather, equalization is reflected in adjustment of items such as State-equalized weighted assessed valuations. State law requires assessments for taxation to be made at full and fair cash value.

Intermediate districts.--None

Local districts.--There is no separate school tax in Rhode Island. Towns must vote on all appropriations for schools and each town must raise by tax, for the support of public schools, 3 mills on its locally assessed valuation and not less than the cost of the basic program during the preceding year, plus the costs in the preceding year of all optional programs shared by the State. Cities can set a tax rate limit for all purposes, schools, and municipal government included, up to 25 mills on locally assessed valuation, exclusive of taxes for debt service purposes. Permission to exceed this limit is granted by the State Legislature on a year-by-year basis.

Local school districts also have access to a 4-mill tax on intangibles.

Debt service levies are in addition to other levies and are not limited but must be approved by a vote of the people.

Initiating bond issues.--School authorities propose the issuance of bonds for school facilities, but the bonds are issued by the respective town or city government.

Limitations on issuance of bonds.--Bonds for schools may be either serial or term bonds. There is no limit to the number of years for which bonds may be invested.

Limitations on debt.--The amount of bonds issued by a town or city for all purposes, including school purposes, may not exceed 3 percent of the locally assessed valuation. State authorization is required for specified amounts and purposes above the 3-percent limit.

Voting requirements.--All bond issues must be submitted at an election and must be approved by majority vote.

Approval and sale of bonds.--Bonds may be sold on either a yield basis or a fixed interest rate. Bonds do not have to be offered first to the retirement system or any other State agency. The State does not assist with the sale of school bonds unless requested to by the local cities and towns. Funds from the sale of bonds that are not immediately needed may be invested.

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Provisions for School Au

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Bond records, tax levies, and payments.--Town and city treasurers are responsible for maintaining the bond records. The board of education is not responsible for payment of the bonds. Tax levies for debt service are over and above the limit for all current expenditures, including school and municipal purposes. The municipal agency is responsible for the levying of a tax rate sufficient for the repayment of all bonds, including those for schools. There is no limit to the tax rate which may be levied for the payment of debt service.

Short-term indebtedness.--Only town or city governments and regional school districts may borrow funds in anticipation of current revenues. There are no limitations.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms are prescribed by the Commissioner of Education and prepared by local school officials. The State fiscal year covers the period July 1 through June 30. However, the local fiscal year is not uniform among the towns and cities of the State and this lack of uniformity presents some difficulty in preparing and filing financial and other statistical reports. The most popular fiscal year for towns in Rhode Island now is July 1 through June 30, the same as the State fiscal year.

Local approval.--Budgets must be acted on by the local board not less than 30 days before the date of the annual financial town meeting or beginning of city fiscal year and must be approved at the financial town meeting or city council meeting. There is no provision for publishing or posting the school budget, except by regional school districts.

State review or approval.--Budgets must be filed with the State Commissioner of Education 30 days prior to the annual financial town meeting. The Commissioner of Education is responsible for reviewing budgets to assure that amounts raised by taxation meet the provisions of State law.

Provisions for School Audits

Audits are required annually by all school districts and may be made by the State Bureau of Audits, independent auditors, or by some competent person duly appointed by the Commissioner of Education.

SOUTH CAROLINA
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

SOUTH CAROLINA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. David S. Matthews, Assistant Director, Office of Finance, South Carolina State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 66 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. Although the sales tax and part of the alcoholic beverage and liquor taxes are earmarked for public schools, they do not produce sufficient revenue to cover the annual appropriation for public schools and thus become part of the State General Fund. Therefore, the State support for public schools is derived in total from money appropriated for the schools. South Carolina has a very small school income from a public school permanent endowment fund.
3. Over 66 percent of the State public school support program is used for paying teachers' salaries as specified in the State salary schedule. This schedule is based on the amount of college training, the years of teaching experience, and the teacher's grade on the National Teachers' Examination. The State pays the total amount as determined from the salary schedule with varying local supplements.
4. Based on teaching experience and examination grade, teachers' salaries may range from $2,255 to $5,495 per year for teachers with 4 years of college, from $3,830 to $5,720 per year for teachers with 4 years plus 18 hours of college credit; and from $4,064 to $6,296 per year for teachers with the master's degree and up to $7,421 per year with a doctor's degree. All salaries are paid on a 185 day school term basis.
5. Nearly 6¼ percent of the State support money is used for the fully financed State pupil transportation program.

LOCAL SUPPORT

1. Over 94 percent of the local revenue for public school support is derived from property taxes.
2. Nonproperty taxes account for the remaining 6 percent of local revenue for the public schools. These taxes which are levied for public school support include the poll tax and dog tax. Other local revenues which provide money include rental and interest income.
3. No local taxes are required as a condition for participation in the basic public school finance program.
4. There are no provisions or limitations for county tax levies for public schools except as provided in 6 below. However, county residents in the separate counties may adopt provisions for county taxes for the schools.
5. Local rates for public school support have no specified limit and do not require electoral approval. Budgets are prepared and adopted by local school boards, approved by the county board of education and/or the county legislative delegation or the county board of administrators or commissioners.
6. A constitutional provision limits school bonded indebtedness to 8 percent of the valuation of the locally assessed property plus the valuation of the State assessed business property in the district. However, if approved in a countywide vote, districts may exceed the 8 percent.
7. Taxes for debt service are not limited and are in addition to tax rates for current operation.

Selected Program Facts

STATE SUPPORT--continued

6. Five additional State funds provide over 22 percent of the total amount of State aid as follows: assistance for maintenance and operation, 3.89 percent; supervision, 2.91 percent; vocational education (including construction and equipment of area vocational schools), 3.90 percent; school building construction and debt service, 9.67 percent; and free textbooks, grades 1-8, 2.07 percent.

7. Nine other State funds which account for the remainder of the State support money help finance principals', supervisors', and special teachers' salaries; county school administration; school lunch operating fund; school lunch supervision; attendance supervisors' salaries; adult education; audiovisual aids library; driver education; and education of mentally and physically handicapped children and special classes for the emotionally disturbed.

SOUTH CAROLINA

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Rec di
Total	$169,430,699 (100.0%)		
TEACHERS' SALARY FUND (Act 215, Laws of 1947)	$112,658,440 (66.5%)		
	Number of allotted teachers, based on ADA and teacher salary schedule. Scheduled amounts for 185 days of employment are based on the amount of college training, years of teaching experience, and the grade achieved on the National Teachers' Examination. The amount distributed to each county is the total of the amounts as determined for each employed teacher. This money must be used for payment of teachers' salaries. The counties are not required to pay each teacher according to his individual position on the State schedule, but the State cannot pay more than is paid by local districts. Specified amounts in the State schedule range from $2,255 per year for a teacher holding a bachelor's degree who has a "D" grade on the National Teachers' Examination and no teaching experience to $5,495 per year for a teacher with the same training who has an "A" grade on the examination and 14 years of teaching experience. For a teacher with a bachelor's degree plus 18 semester hours of graduate work, the corresponding range is from $3,830 to $5,720 per year but the minimum grade is "B". Other allowances range from $4,064 to $6,296 per year for teachers with a master's degree and from $5,477 to $7,421 per year for teachers holding a doctor's degree. All salaries are paid on a 185-day school term basis. For schools with more than 12 teachers the number of teachers for whom funds are provided is based on an ADA of 30 in the elementary school grades and an ADA of 26 in the high school grades. In smaller schools a reduced pupil-teacher ratio is used to compute the number of State aid teaching positions. Special education teachers are allowed at a different ratio. There must be 10 pupils in ADA per teacher for the mentally handicapped, and physically handi-	State share.--100 percent of calculated amount. Local share.--None.	Rec dis on Ext Dis May mad

r the public schools and for program participation

e funds for school support, allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$169,430,699 (100.0%) $112,658,440 (66.5%)		
llotted teachers, based on cher salary schedule. Sched- s for 185 days of employment n the amount of college train of teaching experience, and chieved on the National kamination. The amount dis- each county is the total of as determined for each em- ner. This money must be used of teachers' salaries. The e not required to pay each ording to his individual pos- e State schedule, but the t pay more than is paid by icts. mounts in the State schedule $2,255 per year for a teacher achelor's degree who has a n the National Teachers' Exam- no teaching experience to year for a teacher with the ng who has an "A" grade on tion and 14 years of teach- nce. For a teacher with a degree plus 18 semester hours work, the corresponding om $3,830 to $5,720 per year imum grade is "B". Other al- nge from $4,064 to $6,296 per achers with a master's degree ,477 to $7,421 per year for lding a doctor's degree. All e paid on a 185-day school with more than 12 teachers of teachers for whom funds d is based on an ADA of 30 entary school grades and an n the high school grades. schools a reduced pupil- io is used to compute the tate aid teaching positions. cation teachers are allowed ent ratio. There must be 10 DA per teacher for the men- capped, and physically handi-	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--School districts must complete necessary reports on employed teachers. Extent of participation.--93 districts. Distributed.--Monthly from August through May with any necessary adjusting payments made near the close of the year.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for su the calculated State program a
TEACHERS' SALARY FUND--continued.	capped educables. An ADA of 8 per teacher is required for the trainable and emotionally disturbed pupils. When the ADA is less than this, the teacher salary allowance is reduced proportionately.	
TRANSPORTATION FUND (Appropriation Act, first established in 1930, and revised in 1951 to a State-owned system.)	$10,564,935 (6.2%) The amount provided to each county is the actual expenditure for transportation. Salaries for bus drivers are paid to counties upon requisition. All other transportation funds are paid directly by the Office of Transportation for the purchase of new buses, maintenance, and operation, and for school bus driver training.	State share.--100 percent of tra expenditure for this State-owned Local share.--None.
MAINTENANCE AND OPERATION FUND (Annual appropriation)	$ 6,583,550 (3.9%)	
Grades 1-12......................	This fund is provided for the maintenance and operation expense of the schools and is distributed on the basis of $10 per pupil enrolled and in attendance for 35 days.	State share.--100 percent of ca amount. Local share.--None.
SUPERVISION AND OVERHEAD FUND (Sec. 21-260, Laws of 1962)	$ 4,937,662 (2.9%) This fund is provided for supervision and overhead and is distributed on the basis of $7.50 per pupil enrolled and in attendance for 35 days.	State share.--100 percent of ca amount. Local share.--None.
CONSTRUCTION AND EQUIPMENT OF AREA VOCATIONAL SCHOOLS (Supplementary Appropriation Act, 1968 - General Reserve Fund)	$ 1,350,000 (0.8%) Appropriated for assistance in the construction of proposed Area Vocational Centers, and for equipping those centers that are nearing completion.	State share.--100 percent of ca amount. Local share.--None.

68-69--continued

PUBLIC SCHOOL FINANCE PROGRAM

nds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ed educables. An ADA of 8 per her is required for the trainable emotionally disturbed pupils. When ADA is less than this, the teacher ry allowance is reduced proportion- y. $10,564,935 (6.2%)		
amount provided to each county is actual expenditure for transporta- . Salaries for bus drivers are paid ounties upon requisition. All other sportation funds are paid directly e Office of Transportation for the hase of new buses, maintenance, and ation, and for school bus driver ing. $ 6,583,550 (3.9%)	State share.--100 percent of transportation expenditure for this State-owned system. Local share.--None.	Requirements for participation.--Bus routes must be approved by the Division of School Buildings, Planning, and Transportation. Transportation must be furnished. Extent of participation.--All 93 districts. Distributed.--All expenses other than the drivers' salaries, are paid directly by the Educational Finance Commission for this State-operated system. Amounts for drivers' salaries are distributed to the counties on requisition.
fund is provided for the maintenance operation expense of the schools and stributed on the basis of $10 per enrolled and in attendance for 35 $ 4,937,662 (2.9%)	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--35-day enrollment figures must be reported. Extent of participation.--93 school districts. Distributed.--Monthly beginning in August with final adjustment made on finance figures for the year.
fund is provided for supervision verhead and is distributed on the of $7.50 per pupil enrolled and in dance for 35 days. $ 1,350,000 (0.8%)	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--35-day enrollment figures must be reported. Extent of participation.--Final adjustments are made when final figures are reported by the 93 districts. Distributed.--Monthly beginning in August.
priated for assistance in the con- tion of proposed Area Vocational rs, and for equipping those centers are nearing completion.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Participating districts or counties must have an approved area vocational program.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirement district p for di
VOCATIONAL EDUCATION FUND (Sec. 5283 South Carolina Code 1932; Secs. 5431 and 5394, South Carolina Code 1962)	$5,262,424 (3.1%) The amount indicated is the State portion of the combined State and Federal funds distributed for the support of this program. The Federal share will provide an estimated $4,727,814 additional revenue in 1968-69. These monies are used to reimburse the local school systems for expenditures already made, and pay from two-thirds to three-fourths of the salaries of vocational teachers.	State share.--2/3 to 3/4 of salaries of vocational teachers. 100 percent of manpower development expense. Local share.--All expenses not covered by reimbursement.	Requirement a vocationa State requi proval of Extent of tricts. Distribute ture reimbu applicatio distributi tries, and ments are
AREA TRADE SCHOOLS (Annual appropriation)	$ 824,827 (0.5%) Cost of operating three Area Trade Schools.	State share.--100 percent of calculated amount. Local share.--None.	Requiremen
STATE PUBLIC SCHOOL BUILDING FUND (Sec. 1 to 24, Art. IV, South Carolina Laws of 1951)	$16,386,700 (9.7%) Currently appropriated at the rate of $25 per pupil enrolled in the public schools for 35 days during the immediately preceding school year, supplemented by proceeds from the sale of State School Bonds. After deducting the amount of principal and interest due on the bonds in the current year, the remainder of the total is credited to the school districts in the proportion that each district's 35-day enrollment bears to the 35-day enrollment of the entire State.	State share.--100 percent of calculated amount. Advances may be made against future grants. If a district does not apply for its annual allotment, the district share is credited to its account for later use. Local share.--None.	Requiremen district i to the dis districts ing use o reviewed a Educationa Board of mission an intendent for projec Extent of tricts. Distribute the annua district's for later
TEACHERS'SALARY FUND--**Principals, Supervisors, and Special** Teachers **Portion. (Appropriation Act)**	$4,369,120 (2.6%) This grant is distributed to the counties on the basis of one salary for every 30 State aid teaching positions. Amounts made available are to be used for non-teaching principals, supervisors and special teachers.	State share.--100 percent of calculated amount. Local share.--None.	Requiremen enrollment Extent of Distribute

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blic schools and for program participation

for school support, ces	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
,262,424 (3.1%)		
ed is the State por- ed State and Federal for the support of Federal share will ed $4,727,814 addi- 1968-69. These monies rse the local school itures already made, hirds to three-fourths vocational teachers.	State share.--2/3 to 3/4 of salaries of vocational teachers. 100 percent of manpower development expense. Local share.--All expenses not covered by reimbursement.	Requirements for participation.--Operate a vocational program which conforms with State requirements; submit and obtain approval of program applications. Extent of participation.--93 school districts. Distributed.--Home Economics and Agriculture reimbursements are paid quarterly as applications are received and approved; distributive education, trades and industries, and office occupations reimbursements are paid semiannually.
824,827 (0.5%)		
three Area Trade	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--None.
6,386,700 (9.7%)		
ated at the rate of lled in the public s during the immedi- hool year, supplement- m the sale of State he amount of principal n the bonds in the remainder of the total school districts in at each district's 35- ars to the 35-day en- ntire State.	State share.--100 percent of calculated amount. Advances may be made against future grants. If a district does not apply for its annual allotment, the district share is credited to its account for later use. Local share.--None.	Requirements for participation.--Each school district is notified of the amount available to the district for building projects. The districts file project applications requesting use of funds available. Each project is reviewed and a recommendation is made to the Educational Finance Commission and the State Board of Education. Upon approval by the Commission and State Board, each district superintendent is notified that funds are availalbe for projects in the amount approved. Extent of participation.--All 93 school districts. Distributed.--Upon application approval. If the annual allotment is not applied for, the district's share is credited to its account for later use.
,369,120 (2.6%)		
tributed to the coun- of one salary for teaching positions. able are to be used principals, supervisors ers.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Appropriate enrollment figures must be reported. Extent of participation.--All 93 districts. Distributed.--Monthly.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirem distric for
COUNTY SCHOOL ADMINISTRATION FUND (Appropriation Act)	$ 280,968 (0.2%) Allotments provide $6,108 toward the annual salary of each county superintendent of education.	State share.--100 percent of allowable amount. Local share.--None, but county must pay any additional salary amount.	Requirem perly qu of educa Extent o
SCHOOL LUNCH FUND--Operating Aid (Appropriation Act)	$ 165,000 (0.1%) Distribution is based on the number of schools participating in the School Lunch Program in each County in the preceding school year. This fund helps to pay the cost of clerical help, storage, transportation of commodities, travel and office expense at the county level.	State share.--100 percent of allowable amount. Local share.--Balance of cost.	Distribu and in a counties Requirem must ope which me State. Extent o tricts.
SCHOOL LUNCH SUPERVISION FUNDS (Appropriation Act)	$ 197,248 (0.1%) Each county receives $4,288 to be used toward the salary of a school lunch supervisor.	State share.--100 percent of allowable amount. Local share.--None.	Distribu Requirem county m supervis Extent o
ATTENDANCE SUPERVISOR FUND (Sec. 21-781, Laws of 1962)	$ 197,248 (0.1%) Each county receives $4,288 to be used toward the salary of an attendance supervisor.	State share.--100 percent of allowable amount. Local share.--None.	Distribu in advan Requirem must emp Extent o
ADULT EDUCATION ACT (Appropriation Act)	$1,607,577 (1.0%) Allocation for the high school program is based on the number of people in each county with more than 8th grade education but less than a high school education.	State share.--100 percent of calculated amount. Local share.--Balance of cost.	Distribu advance Requirem tem must ments an Board of are resp adult ed needs, a evaluati and admi for a hi funds ma Extent o Distribu payments

PUBLIC SCHOOL FINANCE PROGRAM

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for school support, es	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
80,968 (0.2%) 6,108 toward the h county superinten-	State share.--100 percent of allowable amount. Local share.--None, but county must pay an additional salary amount.	Requirements for participation.--A properly qualified county superintendent of education must be elected or appointed. Extent of participation.--All 46 counties. Distributed.--Payments are made quarterly and in advance to the 46 participating counties.
65,000 (0.1%) d on the number of g in the School h County in the pre- This fund helps to ical help, storage, mmodities, travel t the county level.	State share.--100 percent of allowable amount. Local share.--Balance of cost.	Requirements for participation.--Schools must operate school food service programs which meet requirements established by the State. Extent of participation.--93 school districts. Distributed.--In August.
97,248 (0.1%) $4,288 to be used a school lunch	State share.--100 percent of allowable amount. Local share.--None.	Requirements for participation.--Each county must employ a qualified school lunch supervisor. Extent of participation.--All 46 counties. Distributed.--Payments are made quarterly in advance during the year.
197,248 (0.1%) $4,288 to be used an attendance super	State share.--100 percent of allowable amount. Local share.--None.	Requirements for participation.--Each county must employ a qualified attendance supervisor. Extent of participation.--46 counties. Distributed.--Payments are made quarterly in advance during the year.
07,577 (1.0%) igh school program er of people in e than 8th grade than a high school	State share.--100 percent of calculated amount. Local share.--Balance of cost.	Requirements for participation.--A school system must operate in conformance with requirements and standards established by the State Board of Education. The local school boards are responsible for submitting a plan for adult education indicating program objectives, needs, and curriculum; also provisions for evaluation, financing, and program supervision and administration. Plans have been approved for a high school diploma program, or the funds may be used for basic education. Extent of participation.--93 districts. Distributed.--Quarterly, except for semiannual payments for distributive education.

STATE SUPPORT, 1968-69 --continued SOUTH CAROLINA

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requireme district for
AUDIOVISUAL AIDS LIBRARY FUND (Appropriation Act)	$ 200,000 (0.1%)	Audiovisual aids materials distributed on request to any school for use in the instructional program.	State share.--100 percent of cost of materials. Local share.--None.	Requireme except fo program. Extent of tricts. Distribut by the St
DRIVER EDUCATION FUND (Appropriation Act)	$ 300,000 (0.2%)	$30 per pupil enrolled in Driver Education classes.	State share.--100 percent of approved amount. Local share.--None.	Requireme course in Distribut
MENTALLY AND PHYSICALLY HANDICAPPED CHILDREN FUND (Appropriation Act)	$ 35,000 (--)	Percentage of appropriation amount to actual needs distributed to participating districts.	State share.--100 percent of approved amount. Local share.--None.	Requireme program f handicapp Distribut the fisca
SPECIAL CLASSES FOR EMOTIONALLY DISTURBED FUND (Appropriation Act)	$ 10,000 (--)	Percentage of appropriation amount to actual needs of participating districts.	State share.--Same as fund, Mentally and Physically Handicapped Children Fund. Local share.--None.	Requireme fund dire Distribut
FREE TEXTBOOKS FUND (Appropriation Act)	$3,500,000 (2.1%)			
Grades 1-8........................		Basic textbooks are provided for the full school curriculum in grades 1-8 of all Public Schools in the 93 participating districts.	State share.--100 percent of approved amount. Local share.--None.	Requireme must be m multiple ed by the Extent of Distribut September

te funds for the public schools and for program participation

cent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 200,000 (0.1%) Audiovisual aids materials distributed on request to any school for use in the instructional program.	State share.--100 percent of cost of materials. Local share.--None.	Requirements for participation.--None, except for use in the instructional program. Extent of participation.--All 93 districts. Distributed.--Materials are purchased by the State.
$ 300,000 (0.2%) $30 per pupil enrolled in Driver Education classes.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--Approved course in driver education. **Distributed**.--Annually in July.
$ 35,000 (--) Percentage of appropriation amount to actual needs distributed to participating districts.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--Approved program for the mentally and physically handicapped. Distributed.--Payments made at the end of the fiscal year.
$ 10,000 (--) Percentage of appropriation amount to actual needs of participating districts.	**State share**.--Same as fund, Mentally and Physically Handicapped Children Fund. Local share.--None.	**Requirements for participation**.-- Same as fund directly above. Distributed.--Annually in July.
$3,500,000 (2.1%) Basic textbooks are provided for the full school curriculum in grades 1-8 of all Public Schools in the 93 participating districts.	State share.--100 percent of approved amount. Local share.--None.	**Requirements for participation**.--Selection must be made for basic textbooks from the multiple list of approved textbooks as adopted by the State Board of Education. **Extent of participation**.--93 districts **Distributed**.--Beginning of school year in September.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Assessed valuation of real and personal property is generally determined by local district or township assessors who are appointed by the Governor upon recommendation of the county auditor. The chairmen from the above units make up a county equalization board. In a few counties, assessment boards are created by legislative act. Appeals may be made to the county board and to the State Tax Commission. The State Tax Commission places valuations on corporation and other business property including inventories as of January 1, based on a percentage of true value. This body also furnishes county auditors with a schedule of values for motor vehicles.

Intermediate districts.--There are no constitutional or statutory provisions for county taxes but most of the counties have local legislation for county school taxes. Debt service levies are made in only a few counties. There are no specified limitations on the county tax levy either with or without vote of the people.

Local districts.--There is no specified limit on the local tax levy either with or without vote of the people. Local property taxes are based on the assessed valuation of the district which is composed of the valuation of locally assessed real property and State assessed business property. Valuations on automobiles are based on a State furnished schedule. Revenue from other than property taxes is obtained from poll and dog taxes, interest, and rents. The usual rate for the poll tax, more properly capitation tax, is $1 per adult male. This tax is not a requirement for voting. The usual rate for the dog tax is $1.

Provisions for School Indebtedness

Initiating bond issues.--Bonds are initiated by local school districts and are issued for capital layout purposes. However, there are numerous exceptions made by local provisions with the result that these general limitations apply only to a small proportion of the districts.

Limitations on issuance of bonds.--All bonds may be issued for a maximum of 20 years. Serial bonds are not required.

Limitations on debt.--The State Constitution provides that school bonds may be issued up to 8 percent of the assessed valuation of taxable property in the district. Only by approval of the entire voting populace of the county can this percentage be raised above 8 percent. No State agency has authority to approve a higher limit even in special cases.

Voting requirements.--Unless otherwise provided, school bond issues must be approved by a majority of the qualified electors who participate in the election. In some cases, bond issues are authorized by special local legislative acts.

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--Assessed valuation of real and personal property
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r upon recommendation of the county auditor. The
units make up a county equalization board. In a
boards are created by legislative act. Appeals
y board and to the State Tax Commission. The
ces valuations on corporation and other business
tories as of January 1, based on a percentage of
lso furnishes county auditors with a schedule of
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s.--There are no constitutional or statutory pro-
but most of the counties have local legislation
Debt service levies are made in only a few
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the people. Local property taxes are based on the
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s.--Bonds are initiated by local school districts
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a small proportion of the districts.

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--The State Constitution provides that school bonds
rcent of the ssessed valuation of taxable property
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ge be raised above 8 percent. No State agency has
igher limit even in special cases.

--Unless otherwise provided, school bond issues must
y of the qualified electors who participate in the
s, bond issues are authorized by special local

Approval and sale of bonds.--**When bonds have been issued in accordance with** provisions of general or local laws applying to the school district involved, no further local or State approval is required. It is not required that bonds first be offered to a State agency and no assistance is provided for the local sale of bonds. The maximum rate of interest is 6 percent. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments.--County officers are authorized to levy and collect sufficient funds for payment of interest and principal on all outstanding bonds in the districts of the county. These levies are over and above those for current expenses. Bond records are kept by a county officer, usually the treasurer. The county superintendent of education approves payment in some but not all instances.

Short-term indebtedness.--Local school board may make current school district loans by signing notes and citing special legislation giving them this authority. Five years is a term often used and special levies are added to retire the loan. In recent years, short-term loans for current operations have been practically eliminated by disbursing State aid for teachers' salaries, maintenance and operation, and supervision and overhead, 1 and 2 months in advance during the fall of the year before local tax revenue becomes available.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budgets are prepared by the local school board on forms prescribed by the county or local systems. The school fiscal year begins on July 1 and ends on June 30. All districts and the State have this same fiscal year.

Local approval.--In some instances, local laws require that budgets be submitted to the county board of education for approval while some districts also require approv**al by the county legislative delegation. These are not general provisions. There is no specific date by which the local board must act on the budget.**

State review or approval.--No State agency is responsible for approving any school budget and no copies are filed with an State agency.

Provisions for School Audits.

School audits are left to the option of the local school system in all districts. Counties are requested by law to have audits made. These audits include the office of the county superintendent of education. Usually the districts have a detailed annual audit made by some independent auditing agency. The local district bears the expense of the audit. It is not required that a copy of the budget be filed with a State agency.

SOUTH DAKOTA
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

SOUTH DAKOTA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Gale D. Schlueter, Director of Statistical Services, South Dakota State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 12 percent of all revenue for public elementary and secondary schools is provided by the State.
2. Legislative appropriation from the general revenue fund of the State provides slightly less than 83 percent of the money distributed to school districts for support of the elementary and secondary schools. The balance of State support is derived from income earned by permanent school endowments.
3. Allotments from the Minimum Foundation Program Fund account for 75.8 percent of State grants for public schools.
4. Amounts for distribution from the Minimum Foundation Program Fund include $760 per high school classroom unit and $380 per elementary school classroom unit. Smaller allowances are provided for one-teacher schools and teachers with 4-year elementary teaching certificates.
5. Distributions from the Permanent School Fund, based on the annual school census, provide another 17.2 percent of the total State support program.
6. Three additional appropriations account for the remaining 7.0 percent of the State grant money. These include payments in lieu of nontaxable lands, payments for taxes on land in public shooting areas, and an appropriation for special education.

LOCAL SUPPORT

1. Approximately 96 percent of the public school revenue derived from county and local district sources is obtained from property taxes. Three-fourths is from local district taxes and one-fourth from county property taxes.
2. Over three-fourths of the other 4 percent of county and local district school revenue is from local sources other than property taxes such as the rental income, interest on invested funds, and gifts. The balance of school revenue from sources other than property taxes is from county sources and includes a tax of $1.00 per elector and proceeds from fines.
3. The countywide poll tax is the only nonproperty tax specifically authorized for school support.
4. No specified county or local district tax levies are required for participation in a State grant fund.
5. Counties are required to levy taxes for a county elementary equalization fund and for high school tuition costs. County officials may levy a property tax of up to 20 mills for the general fund and the county elementary equalization fund without electoral approval.
6. Local boards of education may authorize tax levies of 20 or 40 mills, depending on the kind of district, except for a 24-mill limit on agricultural property in independent districts. An additional 10 mills may be authorized by the electoral approval. Local boards may also levy up to 5 mills for a capital outlay fund.
7. School districts may issue bonds up to 10 percent of the local assessed valuation, including the outstanding indebtedness of the district. Taxes for debt retirement are authorized with approval of the voters to issue bonds.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support o the calculated State program allowanc
Total	(Est.)	$12,055,114 (100.0%)	
STATE FOUNDATION PROGRAM OF FINANCIAL SUPPORT TO SCHOOL DISTRICTS (SDC 15.2246, 1960 Supp., Ch. 385, Sec. Laws of 1961, as amended in 1968, Ch. 44, Bill 104.)		$9,136,000 (75.8%)	

Calculation of classroom units:

Common districts*............ Multiply total ADM (K-8) of the district during the previous school year by the value of the slope of the line of best fit (Table I, Column 2) and add the value of the constant (Table I, Column 3). An eligible common school district is entitled only to the number of classroom units derived from this calculation. A one-teacher school is entitled to only one classroom unit.

(TABLE I)

Total ADM, K-8 in the school district	The value of the slope of the line of best fit	The value of the constant
00.000 - 46.506	+.012042	+1.901461
46.507 - 181.534	+.044834	+0.376446
181.535 - 226.300	+.014995	+5.772454
226.301 - and over	+.040503	0.000000

Independent districts*....... The classroom unit entitlement of eligible independent districts equals the sum of lower grade classroom units (K-8) (Table I calculation) plus 10 percent of this sum for administration and supervision, and the number of upper grade units (9-12) (Table II calculation) plus 10 percent of this sum for administration and supervision.

(TABLE II)

Total ADM, 9-12 in the school district	The value of the slope of the line of best fit	The value of the constant
00.000 - 96.269	+.042086	+2.149407
96.270 - 299.077	+.047712	+1.607799
299.078 - 491.588	+.033150	+5.962965
491.589 - and over	+.045280	0.000000

State share.--Cost minus allowable dist income equals equalization support.

Local share.--(a) The yield of 15 mills the total adjusted assessed valuation o all property in the district; (b) all come received from the general support tion of the foundation program;* (c) the transfer receipts from other school districts except funds received as a result school district reorganization; (d) all revenue from local sources excluding ta tion; (e) all revenue from county source excluding county elementary school equa zation fund receipts; (f) all revenue f State sources excluding the total amount received in the previous school fiscal from the provisions of SDC 1960 Suppleme 15.2246 as amended; (g) seventy-five pe of the funds received by a school distr under the provisions of Public Law 874, section 3(c)(1); and (h) the income of foundation program in a school district shall be further adjusted by the differe between the amount reported for the pre school year as general fund revenue receipts from local taxation and the amou obtained by multiplying the actual asse valuation of the school district by the school district general fund levy for t previous school fiscal year. If such r ceipts are greater, then the difference shall be added to such income; if such ceipts are less, then the difference sh be subtracted from such income.

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* Classroom credit will not be greater than the actual number of teachers assigned.

* for the current year.

E SUPPORT, 1968-69

PUBLIC SCHOOL FINANCE PROGRAM

n of State funds for the public schools and for program participation

and percent of State funds for school support, ulation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid

. . . (Est.) $12,055,114 (100.0%)

NANCIAL $9,136,000 (75.8%)

385,
in 1968,

its: ..... Multiply total ADM (K-8) of the district during the previous school year by the value of the slope of the line of best fit (Table I, Column 2) and add the value of the constant (Table I, Column 3). An eligible common school district is entitled only to the number of classroom units derived from this calculation. A one-teacher school is entitled to only one classroom unit.

8	The value of the slope of the line of best fit	The value of the constant
06	+.012042	+1.901461
534	+.044834	+0.376446
.300	+.014995	+5.772454
over	+.040503	0.000000

..... The classroom unit entitlement of eligible independent districts equals the sum of lower grade classroom units (K-8) (Table I calculation) plus 10 percent of this sum for administration and supervision, and the number of upper grade units (9-12) (Table II calculation) plus 10 percent of this sum for administration and supervision.

12	The value of the slope of the line of best fit	The value of the constant
69	+.042086	+2.149407
077	+.047712	+1.607799
.588	+.033150	+5.962965
over	+.045280	0.000000

reater than the actual number of teachers

State share.--Cost minus allowable district income equals equalization support.

Local share.--(a) The yield of 15 mills on the total adjusted assessed valuation of all property in the district; (b) all income received from the general support portion of the foundation program;* (c) the transfer receipts from other school districts except funds received as a result of school district reorganization; (d) all revenue from local sources excluding taxation; (e) all revenue from county sources excluding county elementary school equalization fund receipts; (f) all revenue from State sources excluding the total amount received in the previous school fiscal year from the provisions of SDC 1960 Supplement 15.2246 as amended; (g) seventy-five percent of the funds received by a school district under the provisions of Public Law 874, subsection 3(c)(1); and (h) the income of the foundation program in a school district shall be further adjusted by the difference between the amount reported for the previous school year as general fund revenue receipts from local taxation and the amount obtained by multiplying the actual assessed valuation of the school district by the school district general fund levy for the previous school fiscal year. If such receipts are greater, then the difference shall be added to such income; if such receipts are less, then the difference shall be subtracted from such income.

* for the current year.

Requirements for participation.--Each district must have operated one or more schools during the previous school year, none of which is a 1-teacher rural elementary school with an ADM of 5 or fewer, or located within 5 miles of another operating school, and no secondary school of fewer than 35 pupils in ADM shall have been operated within 20 miles of another secondary school. Schools must employ qualified teachers and be accredited.

Extent of participation.--1,282 school districts in 1967-68.

Distribution.--Two payments, December and March, distributed through county treasurer's office.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requireme district for
STATE FOUNDATION PROGRAM OF FINANCIAL SUPPORT TO SCHOOL DISTRICTS--continued			
Calculation of State-Supported foundation program level........	Multiply $8,000 by the district's allocation of classroom units as calculated above plus tuition payments to other districts and tuition payments for exceptional children.		
General support portion.........	$760--for each upper grade classroom unit, 9-12. $380--for each lower grade classroom unit, K-8. $190--for each one-teacher school classroom unit. $100--for each eligible school district per teacher employed who teaches only lower grade pupils and who is the holder of a valid South Dakota four-year elementary certificate.		
Equalization support portion....	Funds not to exceed $2,000,000 are distributed to eligible school districts under an equalization formula in the amount that the cost of the State-supported foundation program level exceeded the income of the foundation program for such districts during the previous school fiscal year.		
Transportation portion..........	Each school district is also entitled to $20 per pupil, based on the ADM for which bus transportation was provided. Bus transportation includes: (1) bus service (2) mileage paid to parents in lieu of bus service; and (3) room and board payments in lieu of bus service. To be eligible the pupils must: (a) reside within the district; (b) live more than 3 miles from the school; (c) live outside the incorporated limits of the municipality in which the school is located; and (d) attend the school within that district.		

1968-69 --continued

funds for the public schools and for program participation

t of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
tiply $8,000 by the district's allo- ion of classroom units as calculated ve plus tuition payments to other dis- cts and tuition payments for excep- nal children. 0--for each upper grade classroom t, 9-12. 0--for each lower grade classroom t, K-8. 0--for each one-teacher school class- m unit. 0--for each eligible school district teacher employed who teaches only er grade pupils and who is the holder a valid South Dakota four-year ele- tary certificate. nds not to exceed $2,000,000 are dis- buted to eligible school districts ler an equalization formula in the ount that the cost of the State-sup- rted foundation program level exceeded income of the foundation program for ch districts during the previous school scal year. ch school district is also entitled to per pupil, based on the ADM for which transportation was provided. Bus ansportation includes: (1) bus service) mileage paid to parents in lieu of s service; and (3) room and board pay- nts in lieu of bus service. To be igible the pupils must:(a) reside with- the district; (b) live more than 3 les from the school; (c) live outside e incorporated limits of the municipal- y in which the school is located; and) attend the school within that dis- ict.		

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for the calculated State program
PERMANENT SCHOOL FUND (Art. VIII of the Constitution and SDC 15.1603) — $2,081,304 (17.3%) Fund is composed of receipts from earnings of the Permanent School Fund and is distributed in proportion to census figures for children 6-21.	State share.--100 percent of ca amount. Local share.--None.
EXCEPTIONAL CHILDREN FUND (SDC 15.3004, 1960 Supp. Ch. 77, 1961, Ch. 44, Ch. 53, Ch. 43, 1966) — $ 514,000 (4.3%) Distributed on the basis of an approved plan and application.	State share.--Up to $400 per ch Local share.--Balance of actual
SCHOOL LAND TAX BASE DEPLETION FUND (Ch. 340, Session Laws of 1961) — $ 258,810 (2.1%) Distributed on the basis of the number of acres of nontaxable school and endowment lands within the school district. The distribution provides about 19 cents per acre of such land.	State share.--100 percent of a amount. Local share.--None.
PUBLIC SHOOTING AREAS FUND (SDC 25.0302 and 25.0103, 1960 Supplement.) — $ 65,000 (0.5%) State-owned public shooting land is assessed for taxation in the same manner as other land and is equalized and entered on the tax lists for taxation. Amounts are paid by the State to the districts which have such lands within their boundaries according to the value and tax rate placed on the land.	State share.--100 percent of a amount. Local share.--None.

PUBLIC SCHOOL FINANCE PROGRAM

UPPORT, 1968-69--continued

of State funds for the public schools and for program participation

d percent of State funds for school support, tion of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$2,081,304 (17.3%)		
Fund is composed of receipts from earnings of the Permanent School Fund and is distributed in proportion to census figures for children 6-21.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Each school district is required to make an annual census of all children between ages 6 and 21, inclusive, and report census to the State Commissioner of School and Public Lands. Extent of participation.--1,797 districts. Distribution.--Annually. Fund is composed of receipts from earnings of the Permanent School Fund and is distributed annually in proportion to census figures for children 6 through 21.
$ 514,000 (4.3%)		
6)		
Distributed on the basis of an approved plan and application.	State share.--Up to $400 per child. Local share.--Balance of actual cost.	Requirements for participation.--Children must be handicapped and require special instruction and service. Classes must be approved by State Department of Public Instruction.
ND $ 258,810 (2.1%)		Extent of participation.--55 school districts; 110 classrooms. Distribution.--Two payments, January and at the end of the school year.
Distributed on the basis of the number of acres of nontaxable school and endowment lands within the school district. The distribution provides about 19 cents per acre of such land. $ 65,000 (0.5%)	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--School districts must have nontaxable school and endowment lands within their borders, or land under the jurisdiction of the Board of Regents on charities and corrections. Extent of participation.--592 school districts. Distribution.--One payment in February.
State-owned public shooting land is assessed for taxation in the same manner as other land and is equalized and entered on the tax lists for taxation. Amounts are paid by the State to the districts which have such lands within their boundaries according to the value and tax rate placed on the land.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--School districts must have State-owned lands known as public shooting areas which are subject to taxation by local taxing districts. Distribution.--Funds are distributed to counties and in turn to local school districts.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Valuations of taxable property are established by assessors appointed by each municipality, civil township, or other area of the county not so organized. A local equalization board of assessments meets in each assessing area to equalize the valuations of property between individuals, after which the assessments are sent to the county commissioners to be equalized between the taxing districts. Assessment procedures are supervised by the State Division of Taxation.

A State Board of Equalization consisting of five freeholders is appointed by the Governor and confirmed by the Senate on an overlapping-term basis. Not more than three members on the board may be of the same political party. The State Board hears and acts only on appeals and in the event of a property tax levy for a State purpose when it may equalize valuations on a statewide basis.

Property is to be assessed at its true and full value but only 60 percent of such value is considered as the taxable value. The assessor values each article by itself including the value of land which is assessed exclusive of improvements. The aggregate value of property includes the value of all structures and improvements but excludes the value of crops on cultivated land.

Intermediate districts.--County government officials are authorized to levy taxes for the county elementary equalization fund and the high school tuition fund. There is no provision for a popular election in the determination and authorization of such levies. General fund levies for the county plus the county elementary equalization fund levy may not exceed 20 mills on the local assessed valuation.

The county elementary equalization fund levy in common school districts is determined by dividing the assessed valuation of the common school districts of the county into half of the amount spent to operate the schools in such districts, excluding amounts for capital outlay and debt service, and Federal funds for operation and maintenance in federally affected areas. Receipts from this levy are distributed among the various common school districts of the county on a percentage basis according to the ratio of each district's local revenue for elementary school current operating expense to the total elementary school operating expense for all the participating districts in the county. The county high school tuition levy is determined by multiplying the number of children in school districts who do not operate a high school, by the legal tuition rate and levying equally over all such school districts. A legal daily tuition rate is computed by the State each year. Nonproperty tax sources of revenue include a poll tax of $1.00 per elector and proceeds from fines for violation of State laws.

Local districts.--Local boards of education may levy taxes for the General Fund, Capital Outlay Fund, and Bond Redemption Fund within specified statutory limits. No electoral approval is required for these levies.

"General Fund" levies are limited to 20 mills on local assessed valuation if the district operates only a separate elementary or high school program, and 40 mills on non-agricultural property, if it operates both. Further, a levy may not exceed 24 mills for the general fund on agricultural property.
Also, the general fund levy may be raised, not to exceed 10 mills, by a 75 percent vote of the electors in favor of the increase. In addition, there is a levy for school purposes on the assessed valuation of money and credits but the amount received from this source is trivial.

"Capital Outlay Fund" levies by
statutory limitations which apply t
The law provides that surplus funds
to the capital outlay fund. No fun
outlay fund.

The "Bond Redemption Fund" lev
retire the bonds which become due e
thereon. There is no limit on the
in addition to general fund statuto

Local nonproperty revenue come
facilities, interest on invested fu

Provisions for School Indebtedness

Initiating bond issues.--Each
for the initiation and issuance of

Limitations on issuance of bon
cured, the school board may issue s

Limitations on debt.--The Cons
issue bonds which with other indebt
tricts' assessed valuation. No Sta
limit or to approve a higher limit

Voting requirements.--All scho
issue negotiable bonds to refund an
to become due and payable, or whene
lower rate of interest; to fund any
raise money for any purpose for whi
school district funds. The proposi
fund registered warrants or to refu
to the electors of the school distr
Sixty percent of the votes cast at
the issuance of bonds.

Approval and sale of bonds.--S
sale of bonds. The State does not
necessary to first offer them to a
State Department of Public Instruct
reference, or approval. Funds from
required may be temporarily investe

Bond records, tax levies, and
be levied over and above those for
bonds, the school board provides fo
to pay the interest and principal p
term of years for which said bonds
shall be irrepealable until such d
responsible for maintaining the bon

property are established by
wnship, or other area of the
rd of assessments meets in each
rty between individuals, after
ssioners to be equalized between
upervised by the State Division

ive freeholders is appointed by
rlapping-term basis. Not more
political party. The State
ent of a property tax levy for
a statewide basis.

ll value but only 60 percent of
e assessor values each article
essed exclusive of improvements.
of all structures and improve-
d land.

fficials are authorized to levy
and the high school tuition
n in the determination and
for the county plus the county
0 mills on the local assessed

in common school districts is
he common school districts of
e the schools in such districts,
ice, and Federal funds for
eas. Receipts from this levy
stricts of the county on a
strict's local revenue f r
total elementary school oper-
in the county. The county high
he number of children in school
legal tuition rate and levying
aily tuition rate is computed
f revenue include a poll tax of
lation of State laws.

ay levy taxes for the General
nd within specified statutory
ese levies.

s on local assessed valuation if
r high school program, and 40
s both. Further, a levy may not
ral property.
exceed 10 mills, by a 75 percent
n addition, there is a levy for
y and credits but the amount

"Capital Outlay Fund" levies by school districts are in addition to the statutory limitations which apply to the general fund and may not exceed 5 mills. The law provides that surplus funds may be transferred from the general fund to the capital outlay fund. No funds can be transferred out of the capital outlay fund.

The "Bond Redemption Fund" levy is authorized to raise sufficient money to retire the bonds which become due each school year and to pay the interest thereon. There is no limit on the rate for debt service, and such levy may be in addition to general fund statutory limitations.

Local nonproperty revenue comes from rental income for use of school facilities, interest on invested funds, and gifts.

Provisions for School Indebtedness

Initiating bond issues.--Each school district has complete responsibility for the initiation and issuance of school bonds.

Limitations on issuance of bonds.--Provided a market for bonds can be secured, the school board may issue serial bonds for a determined number of years.

Limitations on debt.--The Constitution provides that school districts may issue bonds which with other indebtedness may be up to 10 percent of the districts' assessed valuation. No State agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements.--All school districts are authorized and empowered to issue negotiable bonds to refund any bonded indebtedness which is or is about to become due and payable, or whenever such indebtedness can be refunded at a lower rate of interest; to fund any judgments or outstanding warrants; and to raise money for any purpose for which the school board is authorized to spend school district funds. The proposition to issue such bonds, except bonds to fund registered warrants or to refund bonded indebtedness, must be submitted to the electors of the school districts at a general or special election. Sixty percent of the votes cast at the election must be favorable to authorize the issuance of bonds.

Approval and sale of bonds.--State agency approval is not necessary in the sale of bonds. The State does not assist with the sale of bonds and it is not necessary to first offer them to a State agency. Bonds are not submitted to the State Department of Public Instruction or to any State agency for review, reference, or approval. Funds from the sale of bonds that are not immediately required may be temporarily invested.

Bond records, tax levies, and payments.--Tax levies for debt service must be levied over and above those for the current school program. Prior to issuing bonds, the school board provides for the collection of an annual tax sufficient to pay the interest and principal payments as they become due for the entire term of years for which said bonds are to run. All such levies when legally made shall be irrepealable until such debts shall be paid. The school district is responsible for maintaining the bond records and for payment of the bonds.

Provisions for School Indebtedness--continued

Short-term indebtedness.--School boards have the power to borrow money by issuing a promissory note in anticipation of taxes to be collected subject to the following regulations: (1) the amount borrowed shall not exceed 95 percent of the uncollected taxes levied for the current school fiscal year for the fund for which the money is borrowed; (2) the borrowing limit must be reduced by the amount of outstanding warrants and promissory n
transaction takes place; (3) after the promisso
money in the fund for which the note was issued
taxation sources, shall be expended until such
(4) such notes shall be signed by the presiding
treasurer of the school board; and (5) the rate
6 percent shall be stated on the note.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School districts prepare their own budget forms which must contain the items of expenditures listed on the annual report to the county superintendent of schools. The school fiscal year begins on July 1 and ends on June 30.

Local approval.--The local school board must approve the budget before August 15 since that is the date that school boards must request tax levies of the county auditor. The county auditors are required to reduce the requests for funds if they exceed the maximum amounts provided by law. There is no requirement to publish or post the school budget. The county superintendent is required by law to carefully check the annual school budget of each school district to ascertain that the budget is within the legal debt limitations, receipts prescribed by law have been correctly anticipated, and bonding procedures are legally transacted.

State review or approval.--There is no State approval of a school district budget.

Provisions for School Audits

The law provides that the school board of
have a biennial audit made by a qualified accou
by the State Department of Audits and Accounts
to the clerk of the district, the county superi
Controller of the Department of Audits and Acco
boards may have private audits at any time. Al
school district accounts must first be approved
Audits and Accounts.

An audit of the books of any school distri
the Controller of the State, the county superin
the school district lies, the school district b
school district by petition signed by 20 percen
such school district as shown by the assessment

ds have the power to borrow money by
of taxes to be collected subject to
borrowed shall not exceed 95 percent
rrent school fiscal year for the fund
orrowing limit must be reduced by the

amount of outstanding warrants and promissory notes due at the time of the transaction takes place; (3) after the promissory note has been issued, no money in the fund for which the note was issued, collected through district taxation sources, shall be expended until such notes have been redeemed; (4) such notes shall be signed by the presiding officer, the clerk, and the treasurer of the school board; and (5) the rate of interest not to exceed 6 percent shall be stated on the note.

BUDGETS AND AUDITS

e their own budget forms which must
the annual report to the county super-
ar begins on July 1 and ends on

d must approve the budget before
l boards must request tax levies of
e required to reduce the requests
s provided by law. There is no re-
get. The county superintendent is
l school budget of each school dis-
the legal debt limitations, receipts
pated, and bonding procedures are

State approval of a school district

Provisions for School Audits

The law provides that the school board of an independent district must have a biennial audit made by a qualified accountant or accountants assigned by the State Department of Audits and Accounts. The report of the audit is made to the clerk of the district, the county superintendent of schools, and to the Controller of the Department of Audits and Accounts of this State. District boards may have private audits at any time. All private individuals who audit school district accounts must first be approved by the State Department of Audits and Accounts.

An audit of the books of any school district may be called at any time by the Controller of the State, the county superintendent of the county wherein the school district lies, the school district board, or the electors of the school district by petition signed by 20 percent of the resident taxpayers of such school district as shown by the assessment roll of the preceding year.

GPO 924-693

TENNESSEE

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

TENNESSEE PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. T. B. Webb, Coordinator, Finance and Administrative Services, Tennessee State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 59 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and county and local revenue receipts, is provided by the State.
2. State funds for distribution to the public school systems are derived mainly from portions of the State sales and tobacco taxes which are earmarked for school support. For all practical purposes, State grant money other than the 87 percent from earmarked taxes is provided through legislative appropriation. Less than a half of 1 percent is from permanent school endowments.
3. About 90 percent of the total State allotment for elementary and secondary education is distributed through the foundation program.
4. Foundation program support includes amounts for administrators, supervisors, and teachers' salaries; for pupil transportation and for other current expenditures. Program allowances include a base annual salary of $4,600 for a full-time teacher with a bachelor's degree, $10 per public school pupil transported at public expense, and additional amounts for other current expenses. Allowances for nonequalizing districts include $17 per pupil in ADA, $500 per allotted teaching position maintained, $500 on the superintendent's salary, $800 per systemwide teaching position maintained, and $8 per transported public school pupil.
5. A capital outlay and debt service foundation program accounts for about 6 percent of the State support money for schools.
6. Four other State grant distributions account for the remaining 4 percent of the State support program. This support is for free textbooks, vocational education, hospitalized children, and sick leave for teachers.

LOCAL SUPPORT

1. County and local district revenue for public school support is principally derived from property taxes. However, about 17 percent of this income is from nonproperty taxes and other miscellaneous revenue sources.
2. Countywide taxes levied for the support of the public schools account for about 85 percent of the total county and local district public school revenue. About 84 percent of this county revenue is from property taxes. The balance is from motor vehicle, local option sales tax, cigarette and tobacco taxes, and other miscellaneous sources which provide general county revenue from which funds may be appropriated for school purposes.
3. The remaining 15 percent of the city and local district revenue for public school support is derived locally with about two-thirds obtained from property taxes and one-third from sources other than property taxes. Sources other than property taxes include income from taxes on alcoholic beverages, business gross receipts, local option sales tax, cigarettes and tobacco, motor vehicles, and public utility gross receipts. These nonproperty taxes are not levied specifically for the schools but portions of this revenue may be appropriated for public school purposes.
4. There is no specified general tax rate limit on public school levies for current school support, either by the county or by county, city, or special school districts.
5. Tax levies for debt service are separate from and in addition to other taxes levied for public school support.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shar the calculated State
Total		$193,718,000	(100.0%)	
ANNUAL SCHOOL PROGRAM FUND (Current expense, grades 1-12) (Ch. 321, Public Laws of 1967.)		$174,140,000	(89.9%)	State share.--Calculat required contribution mum of:
Salaries........................	Scheduled amount per allowed teacher employed: (see schedule below)			$17 per pupil in ADA $500 per allotted te tained not to exceed 25 ADA. $500 per each allowe position for excepti $500 for superintend $800 per systemwide maintained. Amounts as provided staff salary increas salary schedule and or per capita allowa ical service or empl
Teachers and principal-teachers..	Teacher-pupil ratio for regular ADA established by State Board of Education at State average of 1 to 27.4.			
Pupil transportation............	**$10 per pupil transported** 1.5 or more miles. Same amount for each physically handicapped child but no mileage minimum. This amount deducted from $10,750,820 of combined State-local money for transportation. Any balance allocated to various equalizing counties in relation to ratio of average rural population per square mile in State to similar ratio for the county.			Not to exceed $8 per t cost of transportation provided for this purp physically handicapped able student must live miles from his assigne State aid is prorated basis of amount due if vided is sufficient to amounts.
Other current expense allowance..	$500 per county for travel expense of county superintendent and county board of education. $450 travel expense for countywide full-time position and for each teacher of special education and of homebound children where teacher travel is required. $2 per pupil ADA for instructional materials and health services. $11 per pupil for plant operation, maintenance services, fixed charges, and other expenses of general control.			Local share.--Standard based on application o each county's taxpayin

Salaries schedule (scheduled amount per allowed teacher employed):

Training level	Salary allowance Min.	Salary allowance Max.	Years to reach maximum
Less than 2 years	$3,710	$3,890	6
2 years	3,980	4,380	10
3 years	4,170	4,570	10
B.A.	4,600	5,350	15
M.A.	4,870	5,710	15
Dr.	5,190	6,030	15

Index	
.105	County percen hicle registr 3 most recent
.069	County percen products sold
.136	County percen employed non-
.690	County percen sales tax col most recent y
1.000	

: SUPPORT, 1968-69

PUBLIC SCHOOL FINANCE PROGRAM

on of State Funds for the public schools and for program participation

, and percent of State funds for school support, culation of district allowances

. . . . $193,718,000 (100.0%)

) $174,140,000 (89.9%)

.... Scheduled amount per allowed teacher employed:

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2 years	3,980	4,380	10
3 years	4,170	4,570	10
B.A.	4,600	5,350	15
M.A.	4,870	5,710	15
Dr.	5,190	6,030	15

chers.. Teacher-pupil ratio for regular ADA established by State Board of Education at State average of 1 to 27.4.

.... **$10 per pupil transported** 1.5 or more miles. Same amount for each physically handicapped child but no mileage minimum. This amount deducted from $10,750,820 of combined State-local money for transportation. Any balance allocated to various equalizing counties in relation to ratio of average rural population per square mile in State to similar ratio for the county.

wance.. $500 per county for travel expense of county superintendent and county board of education.

$450 travel expense for countywide full-time position and for each teacher of special education and of homebound children where teacher travel is required.

$2 per pupil ADA for instructional materials and health services.

$11 per pupil for plant operation, maintenance services, fixed charges, and other expenses of general control.

State and local shares for support of the calculated State program allowance

State share.--Calculated amount minus local required contribution or guaranteed minimum of:

$17 per pupil in ADA.
$500 per allotted teaching unit now maintained not to exceed 1 position per each 25 ADA.
$500 per each allowed and used teaching position for exceptional children.
$500 for superintendent's salary.
$800 per systemwide teaching position maintained.
Amounts as provided for instructional staff salary increases under the State salary schedule and a salary supplement or per capita allowance for school clerical service or employee.

Not to exceed $8 per transported pupil for cost of transportation from the $50,000 provided for this purpose. Except for a physically handicapped child, each countable student must live not less than 1.5 miles from his assigned school.

State aid is prorated on a percentage basis of amount due if total amount provided is sufficient to meet calculated amounts.

Local share.--Standard local contribution based on application of economic index of each county's taxpaying ability:

Index	
.105	County percent of State motor vehicle registration payments for 3 most recent years.
.069	County percent of State farms' products sold
.136	County percent of State gainfully employed non-governmental workers.
.690	County percent of State retail sales tax collections for the 3 most recent years.
1.000	

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation.--Pay salaries at least as high as specified in the State salary schedule; meet State standards; maintain at least 175 days school term plus 10 days of inservice training according to State-approved local plan. Provide 5 days as otherwise designated locally and give teachers 10 days' vacation with pay.

Equalizing counties must use State money for operation and maintenance as prescribed, and meet other requirements.

Extent of participation.--All 151 county, city, and special districts will participate as equalizing school systems.

Distribution.--**1/9 distributed each month August 15 through March 15. Final payment made about June 1.**

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Req di**
ANNUAL SCHOOL PROGRAM FUND--continued			
Pupils in non-profit, private schools...........................	Pupils enrolled in private schools may not also be enrolled in a public school nor counted in determining the amount of State aid for this program. There are no services provided by the public school districts for such private school enrollment.	The resultant index for each county multiplied by $13,013,374 is the estimated relative true market value of locally assessed property of the county, to which is added the valuation of public utilities. Each county's percent of this total valuation multiplied by $18,120,000 is the required local share City and special school districts participating as equalizing districts in the equalizing counties must raise and expend for current expense for schools an added amount equal to a 1.5-mill levy on the taxable property of the district. Counties and districts not meeting equalizing requirements receive aid as basic districts. P.L. 874 receipts are not included in the local revenue counted in the foundation program.	
CAPITAL OUTLAY FUND (Ch. 321, Public Laws of 1967.)	$ 10,382,000 (5.4%)	State share.--57.5 percent of calculated amount.	Re re in a St
Capital outlay and debt service, grades 1-12...................... (for school sites, building construction, and repairs, school and transportation equipment)	$19 per pupil in ADA	Each district receives the calculated amount minus the local share. Each city and special district receives a share of the State money in proportion to teaching positions maintained the preceding school year. Local share.--42.5 percent of calculated total amount is considered to be available from local sources. Each county's share of this amount is based on the county's share of the State total estimated true value of taxable property as established for the annual school program fund.	Ex ci Di ap a ma

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or the public schools and for program participation

ate funds for school support, t allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
olled in private schools may e enrolled in a public school d in determining the amount id for this program. There vices provided by the public tricts for such private ollment.	The resultant index for each county multiplied by $13,013,374 is the estimated relative true market value of locally assessed property of the county, to which is added the valuation of public utilities. Each county's percent of this total valuation multiplied by $18,120,000 is the required local share. City and special school districts participating as equalizing districts in the equalizing counties must raise and expend for current expense for schools an added amount equal to a 1.5-mill levy on the taxable property of the district. Counties and districts not meeting equalizing requirements receive aid as basic districts. P.L. 874 receipts are not included in the local revenue counted in the foundation program.	
$ 10,382,000 (5.49) upil in ADA	State share.--57.5 percent of calculated amount. Each district receives the calculated amount minus the local share. Each city and special district receives a share of the State money in proportion to teaching positions maintained the preceding school year. Local share.--42.5 percent of calculated total amount is considered to be available from local sources. Each county's share of this amount is based on the county's share of the State total estimated true value of taxable property as established for the annual school program fund.	Requirements for participation.--Amounts received from the State are to be placed in a special account and be expended for a plan approved for the district by the State Commissioner of Education. Extent of participation.--All 151 county, city, and special districts. Distribution.--In three installments of approximately a fourth on about August 1; a fourth on about January 15, and remainder on about April 15.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**
TEXTBOOK FUND (Ch. 321, Public Laws of 1967.)	$ 3,913,000 (2.0%)	State share.--100 percent of calculated amount.
Grades 1-12......................	$4.50 per pupil in ADA the previous school year. $9.50 per pupil of increased ADA for last completed school year over preceding school year.	Local share.--None.
VOCATIONAL EDUCATION FUND (Ch. 321, Public Laws of 1967.)	$ 3,431,000 (1.8%) Amount expended as per contractual agreement and application.	State share.--100 percent of approved amount as funds allow. The amount shown does not include the Federal funds provid for this program. Local share.--All costs not covered by reimbursement.
EXCESS COST FOR SPECIAL EDUCATION (Ch. 321, **Public Laws of** 1967.)	$1,193,000 (.6%)	State share.--100 percent of excess cost but not to exceed $300 per child per year
Special transportation and other necessary expenditures.....	Excess cost of providing exceptional children's education including salaries of teachers employed in hospitals and convalescent homes. Excess cost is the per pupil expenditure for exceptional children above the average expenditure for other children.	Local share.--Per pupil amount similar to that provided for other children.
SICK LEAVE FOR TEACHERS' FUND **(Ch. 321, Public Laws of 1967.)**	**$ 659,000 (.3%)** **50 percent of salary for substitutes.**	**State share.--100 percent of calculated allowance not to exceed $5 per day per substitute.** **Local share.--Balance of cost for substitutes.**

-69--continued

PUBLIC SCHOOL FINANCE PROGRAM

te Funds for the public schools and for program participation

ent of State funds for school support, of district allowances	**State and local shares for support of the calculated State program allowance**	**Requirements for and extent of school district participation and schedule for distributing State aid**
$ 3,913,000 (2.0%) $4.50 per pupil in ADA the previous school year. $9.50 per pupil of increased ADA for last completed school year over preceding school year.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Certify all public school children enrolled in the system. Furnish all required textbooks. Funds provided are to be used exclusively for purchase, repair, and rebinding of textbooks. Extent of participation.--All 151 school systems. Distribution.--On or about August 1.
$ 3,431,000 (1.8%) amount expended as per contractual agreement and application.	State share.--100 percent of approved amount as funds allow. The amount shown does not include the Federal funds provided for this program. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Meet State standards and submit necessary applications and reports. Extent of participation.--133 school districts. Distribution.--In two payments, about half in December and balance after close of school year upon approval of reimbursement claim.
$1,193,000 (.6%) xcess cost of providing exceptional hildren's education including salaries f teachers employed in hospitals and onvalescent homes. Excess cost is the er pupil expenditure for exceptional hildren above the average expenditure or other children.	State share.--100 percent of excess cost but not to exceed $300 per child per year. Local share.--Per pupil amount similar to that provided for other children.	Requirements for participation.--Provide necessary special instructional services, inservice training for teachers of such children, and submit appropriate applications for reimbursement. Extent of participation.--115 school districts. Distribution.--As reimbursement on the basis of approved application at the end of the school term.
$ 659,000 (.3%) 0 percent of salary for substitutes.	State share.--100 percent of calculated allowance not to exceed $5 per day per substitute. Local share.--Balance of cost for substitutes.	Requirements for participation.--Employee substitute teachers in place of teachers on sick leave. Extent of participation.--142 school districts. Distribution.--Near the close of the school year after claims are presented and verified.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessment.--Property valuations for tax purposes are established by local assessors who are elected by the people. The county board of equalization has the authority to correct assessments under provisions of the law and the State Board of Equalization has authority to adjust valuation for the purpose of making them more equitable on a statewide basis.

Intermediate districts.--Approximately 84 percent of the county revenue for public school support is from property taxes. The remaining 16 percent appropriated from county nonproperty taxes on motor vehicles, cigarettes, tobacco, local option sales tax,and from various miscellaneous sources.

Counties which participate in the State Annual School Program Fund as equalizing counties must have one school tax for current expense purposes including pupil transportation for grades 1-12. Other counties may have a separate tax for pupil transportation in addition to a levy for current expense purposes. Levies for debt service for county school purposes are in addition to the current expense levies in both equalizing and nonequalizing counties. County revenue accounts for about 85 percent of the total revenue from county and local district sources.

Local districts.--The remaining 15 percent of intermediate and local district revenue for public school support is obtained from property taxes levied specifically on each district's taxable property for each respective district and from nonproperty taxes on alcoholic beverages, business gross receipts, cigarettes and tobacco, motor vehicles, and public utility gross receipts. About two-thirds of these receipts are from property taxes. In general, there is no specified maximum tax rate for county and local property taxes but local property taxes are often limited by special acts of the legislature applicable to a particular district.

Provisions for School Indebtedness

Authorized bond issues.--School bond issues are authorized by the county or city fiscal body rather than by the board of education.

Limitations on issuance of bonds.--The general law provides that the county school bonds shall be due and payable in not more than 25 years from the date of their issuance. Both serial and sinking fund bonds may be issued.

Limitations on debt.--Under statutory law, school bonds may be issued by a county for school capital outlay purposes up to the total amount of the local assessed valuation. In addition to this law, but in no way limited by it, are two public works acts, one for counties and one for municipalities, under the authority of which bonds may be issued for school purposes without dollar limitation and without a referendum vote, provided certain other requirements are met. Among such other requirements is one that no vote of the qualified electors upon a proposition for the issuance of such bonds by a county or municipality shall be necessary if the initial resolution is adopted by a majority of the members of the governing body of such county or municipality, unless within 10 days from the date of the publication or posting of the initial resolution, so adopted, a petition signed by at least 10 percent of the qualified electors of the county, or 10 percent of the qualified electors of the municipality, shall have been filed with the clerk of the county, or the clerk or mayor of the municipality protesting the issuance of such bonds.

In addition to these authorizations, counties or
issue bonds for school capital outlay purposes when a
act of the Legislature.

Voting requirements.--If the legislature by spec
county or a city to issue bonds for school purposes,
included in such special act control the issuance of
special act may authorize the fiscal body to issue bo
vote or it may provide for the issuance of bonds only

Approval and sale of bonds.--Under the general s
is required to approve the bonds. The interest rate
per annum or 5 percent per annum on bonds issued unde
able semiannually. It is not required that bonds be
tirement system or to any other State agency and the
the sale of bonds. Funds from the sale of bonds may

Bond records, tax levies, and payments.--When bo
school purposes, the obligation is that of the quarte
the county board of education. Therefore, any tax le
of indebtedness is in the form of a special levy over
levy. The quarterly county court is responsible for
records and for the payment of the bonds. In the cas
school districts, the procedure must be compatible wi
city charter or the special act of the Legislature go
district.

Short-term indebtedness.--County boards of educa
borrow funds in anticipation of the current revenues
be borrowed by the quarterly county court on short-te
to exceed the unexpended balances in the school budge
the end of the fiscal school year. Indebtedness whi
current school fiscal year may be refunded, if prope
ness procedures for cities and special school distri
charter or special statutory provisions.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms for all coun
school districts are prescribed and furnished by the
cation. The regular school fiscal year covers the p
June 30.

Local approval.--All budgets after being prepar
special district school officials are required to be
city, or special district fiscal authorities for app
budget, as well as of the total. Budget approval by
quired prior to the meeting of the county court in A
sion for publishing or posting the school budget. N
district has authority over local budgets.

tions for tax purposes are established by
ople. The county board of equalization
under provisions of the law and the State
just valuation for the purpose of making

ly 84 percent of the county revenue for
xes. The remaining 16 percent appro-
motor vehicles, cigarettes, tobacco,
miscellaneous sources.

ate Annual School Program Fund as equaliz-
r current expense purposes including
her counties may have a separate tax for
y for current expense purposes. Levies
es are in addition to the current expense
ng counties. County revenue accounts for
m county and local district sources.

percent of intermediate and local district
ained from property taxes levied specif-
rty for each respective district and from
business gross receipts, cigarettes and
ity gross receipts. About two-thirds of
In general, there is no specified maximum
axes but local property taxes are often
e applicable to a particular district.

d issues are authorized by the county or
d of education.

The general law provides that the county
not more than 25 years from the date of
fund bonds may be issued.

ry law, school bonds may be issued by a
s up to the total amount of the local
law, but in no way limited by it, are
and one for municipalities, under the
or school purposes without dollar limi-
rovided certain other requirements are
ne that no vote of the qualified electors
uch bonds by a county or municipality
tion is adopted by a majority of the
unty or municipality, unless within 10
posting of the initial resolution, so
0 percent of the qualified electors of
ed electors of the municipality, shall
unty, or the clerk or mayor of the muni-
h bonds.

In addition to these authorizations, counties or municipalities may issue bonds for school capital outlay purposes when authorized by a special act of the Legislature.

Voting requirements.--If the legislature by special act authorizes a county or a city to issue bonds for school purposes, the legal requirements included in such special act control the issuance of the school bonds. Such special act may authorize the fiscal body to issue bonds without a referendum vote or it may provide for the issuance of bonds only after voter approval.

Approval and sale of bonds.--Under the general statutes, no State agency is required to approve the bonds. The interest rate cannot exceed 6 percent per annum or 5 percent per annum on bonds issued under public works acts, payable semiannually. It is not required that bonds be offered first to the retirement system or to any other State agency and the State does not assist with the sale of bonds. Funds from the sale of bonds may be invested until needed.

Bond records, tax levies, and payments.--When bonds are issued for county school purposes, the obligation is that of the quarterly county court and not the county board of education. Therefore, any tax levied for the liquidation of indebtedness is in the form of a special levy over and above the school tax levy. The quarterly county court is responsible for maintaining the bond records and for the payment of the bonds. In the case of cities and special school districts, the procedure must be compatible with the provisions of the city charter or the special act of the Legislature governing the special school district.

Short-term indebtedness.--County boards of education are not authorized to borrow funds in anticipation of the current revenues. Such funds, however, may be borrowed by the quarterly county court on short-term notes in an amount not to exceed the unexpended balances in the school budget, and not to extend beyond the end of the fiscal school year. Indebtedness which cannot be paid during the current school fiscal year may be refunded, if properly authorized. Indebtedness procedures for cities and special school districts depend upon their city charter or special statutory provisions.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budget forms for all counties, cities, and special school districts are prescribed and furnished by the State Commissioner of Education. The regular school fiscal year covers the period of July 1 through June 30.

Local approval.--All budgets after being prepared by the county, city, or special district school officials are required to be submitted to the county, city, or special district fiscal authorities for approval of each item in the budget, as well as of the total. Budget approval by the local board is required prior to the meeting of the county court in April. There is no provision for publishing or posting the school budget. No intermediate school district has authority over local budgets.

State review or approval.--Budgets are not required to be approved by any State agency, although a copy must be submitted to the State Commissioner of Education on State forms within 30 days after the beginning of the fiscal year for which the budget is made.

Provisions for School Audits

Under general statute, the State
school funds annually. However, the
fied public accountant, provided the
by the State comptroller and approve
funds must be in keeping with the p

t required to be approved by any
d to the State Commissioner of
he beginning of the fiscal year

Provisions for School Audits

Under general statute, the State comptroller is required to audit the county school funds annually. However, the audit may be made by an independent certified public accountant, provided the audit meets the minimum standards established by the State comptroller and approved by the Governor. Audits of city school funds must be in keeping with the provisions of the respective city charters.

TEXAS

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

TEXAS PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. P. E. Hutchinson, Director, Finance Division, Texas Education Agency, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 52 percent of non-Federal revenue for the public elementary and secondary schools, including only State grants and county and local revenue receipts for local school systems, is provided by the State.
2. Approximately 80 percent of the State funds for distribution to school districts is obtained from tax receipts earmarked either specifically or indirectly for the public schools, nearly 27 percent is appropriated from the General Revenue Fund, and the balance of about 4 percent is from Permanent School Fund earnings.
3. Foundation program support, exclusive of allowances for Available School Fund receipts, accounts for about 56.8 percent of the State support program for the public elementary and secondary schools.
4. Educational support under the foundation program allows a salary minimum of $4,734 per classroom teacher unit staffed by a beginning teacher with a bachelor's degree plus $600 for other current expenses. Amounts for special instruction, special service, supervisory, and administrative personnel salaries and for the cost of pupil transportation are added to the classroom teacher unit allowance to determine the total allowable program cost.
5. Over 40 percent of the State grant money is allotted at the rate of $97.25 per school-census child for current expense purposes and 2.7 percent is used to purchase textbooks for distribution to the school districts.

LOCAL SUPPORT

1. School support from county and local taxes, for all practical purposes, is provided from property taxes.
2. No county or local nonproperty taxes are presently used or authorized to be used for county or local school district support. However, a small amount of county revenue distributed to the school districts is obtained from earnings of county permanent funds.
3. Under certain conditions, a countywide property tax of up to 2.5 mills may be levied for equalization purposes.
4. Required tax levies for participation in the State Foundation School Program Fund are determined for each school district in relation to the district's share of the valuation of taxable property in the county and the county's index of taxpaying capacity.
5. Maximum tax rates for school districts may be either 15 mills in the aggregate for both current expense and debt service or 15 mills for current expense if bonded indebtedness is 7 percent or less of the district's assessed valuation of taxable property. In the latter case, the necessary tax levy for debt service is in addition to the levy for maintenance and operation.
6. School district indebtedness is limited to 10 percent of the local assessed value of taxable property or up to such level as can be financed by a 5-mill tax levy.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for suppor the calculated State program allow
Total	$643,104,000	(100.0%)	
FOUNDATION PROGRAM FUND (S.B. 116, Acts of 1949)	$365,528,000	(56.8%)	

Foundation Program based on average daily attendance (ADA) calculated teacher units and transportation allowances, minus local share. Foundation program allowances are determined by calculating the difference between the allowable cost of the foundation program and the sum of the local revenue to be provided.

Amounts for instructional staff salaries and general operating expenses are calculated on the basis of the number of teacher units, established according to the districts' ADA for the preceding year. Adjustments are made for small isolated schools and for certain rural high school districts. Classroom teacher units are determined as follows:

Average daily attendance	Number of teacher units
15 - 25	1
26 - 109	2 for the first 26 pupils and 1 for each additional 21 pupils. No credit for fractions.
110 - 156	6
157 - 444	1 for each 24 pupils or fraction in excess of .5
445 - 487	19
488 - 1,512	1 for each 25 pupils or fraction in excess of .5
1,513 - 1,599	61
1,600 and over	1 for each 26 pupils or fraction in excess of .5

Teacher units are also authorized for other types of instructional and supervisory services. Except for variations due to special circumstances, these allowances are as follows:

Kind of additional unit	Number allotted
Vocational teachers. . .	2 for each accredited 4-year high school, plus others as approved.
Special service teachers.	1 for each 20 approved classroom units.

State share.--State share is determi subtracting the local effort from th of the foundation program.

Local share.--The yield from the req tax levy which is determined by an i taxpaying capacity, used as a means taining the equivalent of uniformity assessment practices.

The total local revenue which all sc districts were required to provide f 1968-69 foundation program was $147, PORT, 1968-69

f State Funds for the public schools and for program participation

d percent of State funds for school support, tion of district allowances

. . . . **$643,104,000 (100.0%)**

$365,528,000 (56.8%)

Foundation Program based on average daily attendance (ADA) calculated teacher units and transportation allowances, minus local share. Foundation program allowances are determined by calculating the difference between the allowable cost of the foundation program and the sum of the local revenue to be provided.

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Kind of additional unit	Number allotted
Vocational teachers. . .	2 for each accredited 4-year high school, plus others as approved.
Special service teachers.	1 for each 20 approved classroom units.

State and local shares for support of the calculated State program allowance

State share.--State share is determined by subtracting the local effort from the cost of the foundation program.

Local share.--The yield from the required tax levy which is determined by an index of taxpaying capacity, used as a means of obtaining the equivalent of uniformity in assessment practices.

The total local revenue which all school districts were required to provide for the 1968-69 foundation program was $147,050,000

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation.--Districts must pay teachers' salaries that are at least as high as those authorized in the State salary schedule, purchase buses through the State Board of Control, levy taxes sufficient to provide the revenues required by the index of taxpaying capacity, and meet certain other standards prescribed by law and by regulations of the State Board of Education. For full participation, districts must operate schools for a term of 9 months.

Districts which have fewer than 15 pupils in ADA are not entitled to a classroom unit unless specifically found to be isolated.

Extent of participation.--1,267 school districts.

Distribution.--Monthly.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for support of the calculated State program allowance	Requirements for and extent district participation and for distributing State
FOUNDATION PROGRAM FUND--continued	Kind of additional unit	Number allotted		
	Exceptional children teachers..	Allotted as needed.		
	Supervisors or counselors.....	1 for the first 40 classroom teacher units; 1 for each added 50 classroom teacher units.		
	Principals.......	1 for the first 20 classroom teacher units; 1 for each added 30 classroom teacher units.		
	Superintendents..	1 for each district maintaining 1 or more 4-year high schools.		
Instructional salaries..........	Salary allowances for personnel employed for these teaching and special units are based on a State salary schedule which recognizes college training, years of experience, and position responsibility. Salary allowance: Less than 4 years, $348 per month plus $13 per month for experience. (maximum $117 per month.); B.A., $526 per month plus $13 per month for experience (maximum $130 per mo.); M.A., $560 per month plus $13 per month for experience (maximum $208 per mo.).			
Supervisors and counselors......	Experience: Salary based on 10-month employment basis with supplements of scheduled amounts of $30 per month.			
Principals.......................	Full-time principals are paid for an 11-month period and salaries are supplemented by 20 percent of the monthly schedule.			
Superintendents..................	Superintendents' salaries are for 12 months with the scheduled amount increased 20 to 40 percent depending upon the number of classroom-teacher units in the district.			
Other Current Expense...........	An allowance of $600 for each classroom unit is provided for current expense other than professional staff members' salaries and pupil transportation.			

the public schools and for program participation

funds for school support, llowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
Number allotted hil- rs.. Allotted as needed. r .... 1 for the first 40 classroom teacher units; 1 for each added 50 classroom teacher units. .... 1 for the first 20 classroom teacher units; 1 for each added 30 classroom teacher units. ts.. 1 for each district maintaining 1 or more 4-year high schools. nces for personnel employed ching and special units are ate salary schedule which llege training, years of nd position responsibility. nce: ears, $348 per month plus n for experience. (maximum th.); r month plus $13 per month ce (maximum $130 per mo.); r month plus $13 per month ce (maximum $208 per mo.). alary based on 10-month em- is with supplements of ounts of $30 per month. incipals are paid for an iod and salaries are supple- percent of the monthly nts' salaries are for 12 the scheduled amount in- o 40 percent depending upon f classroom-teacher units ict. of $600 for each classroom ided for current expense rofessional staff members' pupil transportation.		

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**
FOUNDATION PROGRAM FUND--continued		
Pupil transportation.........	The amount for pupil transportation is determined in relation to the number of pupils transported, the miles traveled, and the condition of the roads. Annual allowances, established in relation to a standard daily route of 45 to 50 miles of which 60 percent **are** surfaced roads. Range from $1,830 for a 15-19 capacity bus to $2,730 for a 72-capacity bus. Allowance only made for children transported who live 2 or more miles from school. Percentage increases are made for dirt roads above the 40 percent and percentage increases and reductions are made for mileage traveled 55 miles per day and less than 45 miles daily travel.	
AVAILABLE SCHOOL FUND (State Constitution, Art. VII, Sec. 5 and Art. 2833 of the State Laws.)	$260,158,000 (40.6%)	
Current expense, grades 1-12....	This fund is distributed to independent districts individually and to counties for distribution to common school districts, provides $97.25 per school-census child, 6 to 17, inclusive.	State share.--100 percent of calculated amount. Local share.--None.
STATE TEXTBOOK FUND (Sec. 3, Art. VII, Laws of 1917)	$ 17,418,000 (2.7%)	
Grades 1-12.....................	Books are provided within the allotment for each district as requisitions are filed. Allotment is based on the number of pupils enrolled in the school district.	State share.--100 percent of calculated book amount. State buys and distributes books. Local share.--None.

PUBLIC SCHOOL FINANCE PROGRAM

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for the public schools and for program participation

State funds for school support, ct allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
nt for pupil transportation is ed in relation to the number of ransported, the miles traveled, condition of the roads. Annual es, established in relation to rd daily route of 45 to 50 miles 60 percent are surfaced roads. om $1,830 for a 15-19 capacity ,730 for a 72-capacity bus. only made for children trans- ho live 2 or more miles from Percentage increases are made roads above the 40 percent and e increases and reductions are mileage traveled 55 miles per less than 45 miles daily travel. $260,158,000 (40.6%)		
is distributed to independent individually and to counties ribution to common school dis- provides $97.25 per school-cen- , 6 to 17, inclusive. $ 17,418,000 (2.7%)	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--School districts must take a school census annually in January and submit required reports to the State Department of Education. Extent of participation.--1,267 school districts. Distribution.--Monthly.
provided within the allotment district as requisitions are llotment is based on the number enrolled in the school dis-	State share.--100 percent of calculated book amount. State buys and distributes books. Local share.--None.	Requirements for participation.--Districts must request books from a State-adopted list and file necessary requisitions and reports. Extent of participation.--1,267 school districts. Distribution.--Books available at beginning of year.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--The county tax assessor-collector in each county, an elected official, certifies to the State Commissioner of Education the assessed valuation, on a State and county valuation basis, of all property subject to school district taxation in each school district and the valuation of all property subject to the school district taxation in the county. Property is also assessed by the school district assessors who are appointed by the board in the school district. Neither assessment is supervised by the State. The county commissioners' court has the authority to change property assessments as reported by the county tax assessor-collector for ad valorem tax purposes. This body does not have authority to change property assessments for school support established by a school board or local trustees.

Intermediate districts.--A small amount of county revenue from the $21,460,000 principal of the county permanent fund produced an estimated $900,000 in school revenue for 1968-69. Also, under certain conditions, a countywide equalization tax of up to 2.5 mills may be levied when authorized by countywide election. Revenue from this source is to be distributed among the districts of the county on a school-census child, aged 6 to 17, inclusive, basis.

Local districts.--Two statutes govern the amount of tax a school district may levy. Art. 2784e provides that a district may vote a maximum tax of 15 mills on local assessed valuation. Not more than 5 mills of the aggregate tax of 15 mills may be used for bond purposes. For many years, this statute has been the one under which the majority of school districts operated.

By vote of the qualified electorate, a school district may elect to operate under a recent statute, Art. 2784e-1, which provides a maximum tax for maintenance and operation of 15 mills, but bases the amount of tax that can actually be levied upon the existing bonded debt of the district. Under this article, the maximum local maintenance rates which may be levied annually must conform to the following schedule:

Bonded indebtedness (percent)	Maximum millage permitted
7 or less	15
7 to 8	14
8 to 9	13
9 to 10	12

There are no other local tax sources for public school support.

Provisions for School Indebtedness

Initiating bond issues.--Bond issues to purchase school sites, to construct and equip new buildings, and to remodel buildings must be initiated by a petition signed by the voters.

Limitations on issuance of bonds.--All bonds ar
in nature and may be issued for a period not to exce

Limitations on debt.--There are two different p
one statute for capital outlay purposes, a school di
and levy ad valorem taxes in an amount sufficient to
principal on all bonds issued for such purposes, pro
exceed 10 percent of the local assessed value of tax
district. According to another statute, school bond
outlay purposes up to the extent that a 5-mill tax l
service. A State agency has the authority to approv
cial cases and to fix the debt limit.

Voting requirements.--School bond issues must b
election by favorable vote of a majority of the prop
pate in the election.

Approval and sale of bonds.--Bond issues must b
Attorney General, after the election, to certify the
and the districts ability to meet the obligation.
a fixed-interest basis determined so as to make it p
at par or slightly above. Bonds must first be offer
the State does not assist with the sale of bonds. P
bonds may be invested until needed.

Bond records, tax levies, and payments.--School
records and determine the levies necessary to be mad
debtedness. Under one bond plan provided in the sta
levy is reduced by the percentage of outstanding ind
statute, a district may not levy more than 5 mills
and this must come within the overall 15-mill limita
for school districts. The State cannot invest in sc
in excess of 7 percent of the taxable valuation of

Short-term indebtedness.--School boards are au
in anticipation of revenues included in the budgets
exceed the receipts which can reasonably be anticip
the year. Such loans are expected to be repaid bef
year. There is no provision for pledging receipts
current operating costs.

Provisions for School Budgets

Budget forms.--School budget forms are prescri
State Department of Education. Both the State and
September 1 and end August 31. The fiscal year of
from the State fiscal year. School budgets are pre
officials.

Local approval.--The local school board must m
hearing and following that hearing, adopt the budge
approved by the local board by August 20. No other
is responsible for reviewing school budgets or has
changes. Taxes must be levied as certified by the

x assessor-collector in each county, an
Commissioner of Education the assessed
on basis, of all property subject to
district and the valuation of all property
in the county. Property is also assessed
appointed by the board in the school
sed by the State. The county commissioners'
ty assessments as reported by the county
x purposes. This body does not have
for school support established by a

ount of county revenue from the $21,460,000
produced an estimated $900,000 in school
in conditions, a countywide equalization
en authorized by countywide election.
ibuted among the districts of the county
inclusive, basis.

rn the amount of tax a school district may
ict may vote a maximum tax of 15 mills on
n 5 mills of the aggregate tax of 15 mills
y years, this statute has been the one
ricts operated.

, a school district may elect to operate
hich provides a maximum tax for mainte-
ses the amount of tax that can actually
of the district. Under this article,
ich may be levied annually must conform

	Maximum millage permitted
	15
	14
	13
	12

es for public school support.

ues to purchase school sites, to construct
l buildings must be initiated by a petition

Limitations on issuance of bonds.--All bonds are required to be serial in nature and may be issued for a period not to exceed 40 years.

Limitations on debt.--There are two different plans for bonds. Under one statute for capital outlay purposes, a school district may issue bonds and levy ad valorem taxes in an amount sufficient to pay the interest and principal on all bonds issued for such purposes, provided that bonds do not exceed 10 percent of the local assessed value of taxable property in a school district. According to another statute, school bonds may be issued for capital outlay purposes up to the extent that a 5-mill tax levy will finance the debt service. A State agency has the authority to approve a higher limit in special cases and to fix the debt limit.

Voting requirements.--School bond issues must be approved in a special election by favorable vote of a majority of the property owners who participate in the election.

Approval and sale of bonds.--Bond issues must be approved by the State Attorney General, after the election, to certify the legality of the issue and the districts ability to meet the obligation. Bonds are usually sold on a fixed-interest basis determined so as to make it possible to sell the bonds at par or slightly above. Bonds must first be offered to a State agency but the State does not assist with the sale of bonds. Proceeds from the sale of bonds may be invested until needed.

Bond records, tax levies, and payments.--School officials keep all bond records and determine the levies necessary to be made for retiring bonded indebtedness. Under one bond plan provided in the statutes, the maximum current levy is reduced by the percentage of outstanding indebtedness. Under another statute, a district may not levy more than 5 mills a year for debt service, and this must come within the overall 15-mill limitation on taxes authorized for school districts. The State cannot invest in school district bonds when in excess of 7 percent of the taxable valuation of the issuing school district.

Short-term indebtedness.--School boards are authorized to borrow funds in anticipation of revenues included in the budgets, but such loans cannot exceed the receipts which can reasonably be anticipated to be received during the year. Such loans are expected to be repaid before the close of the fiscal year. There is no provision for pledging receipts of any subsequent year for current operating costs.

Provisions for School Budgets

Budget forms.--School budget forms are prescribed and provided by the State Department of Education. Both the State and school fiscal years begin September 1 and end August 31. The fiscal year of some of the cities differ from the State fiscal year. School budgets are prepared by local school officials.

Local approval.--The local school board must make provision for an open hearing and following that hearing, adopt the budget. The budget must be approved by the local board by August 20. No other local governmental agency is responsible for reviewing school budgets or has authority to make any changes. Taxes must be levied as certified by the school board or as voted

Provisions for School Budgets--continued

by the people. There are a few municipal districts in which the budget has been customarily submitted to the municipal authorities for review. In most cities, there is no authority in the law for such review.

State review or approval.--All local school systems are required to file a copy of their budget with the State Commissioner of Education for review and information. The Commissioner is responsible for seeing that budgets are properly prepared and for giving such suggestions for improvements as he considers appropriate. Copies are filed by November 1 with the county clerk and the State Commissioner of Education.

Provisions for School Audits

All school districts must have an annual audit made of their fisca accounts. This audit is to be performed by a Texas certified or public accountant holding a permit from the Texas State Board of Public Accounti and is at district expense.

UTAH
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

UTAH PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Howell Lee Cannon, **Administrator, Finance,** Utah State Board of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 59 percent of the nonfederal revenue for maintenance and operation of public elementary and secondary schools, including State grants and local district revenue receipts, is provided by the State.

2. The major portion of State grants for the public schools is obtained from earmarked taxes, which include the corporation franchise tax, individual income tax, portions of the cigarette taxes, State property tax, unclaimed property and other miscellaneous income in addition to appropriation by the legislature from the State General Fund.

3. Approximately 11 percent of the State Minimum School Program is from appropriated funds, and the remainder from earmarked taxes.

4. The Minimum School Program support assures each school district of funds to finance an operating program at $7,700 per distribution unit on a 16-mill levy plus $2.50 per pupil mile of transportation. An additional $1,680 per distribution unit is available to districts that levy an additional 12 mills at the discretion of the local board. Another $110 per distribution unit for each mill levied is available to those districts which by vote of the people authorize the board to make an additional levy from 1 to 10 mills.

5. About 5 percent of the State money allocated to school districts is for school facilities and is provided through two separate State funds. One of these funds assures each district of $700 per distribution unit and the other provides additional assistance where needed.

LOCAL SUPPORT

1. Approximately 97 percent of the locally derived revenue for maintenance and operation of public elementary and secondary schools is provided from property taxes. The remainder of local support is from interest earned on district-owned investments and bank deposits, rentals, and fees.

2. There are no nonproperty taxes authorized for levy by local school districts.

3. All school districts are required to levy a 16-mill property tax for the "basic" portion of the Minimum School Program. An additional 1- to 12-mill tax may be levied for the State-supported "leeway" portion. In addition, a levy of 1 to 10 mills may be levied when authorized by a vote of the people for the State-supported "voted leeway portion". If the 16 mills on the basic produce more than the amounts specified in the provisions of the State Minimum School Program, the overcollection is paid to the State and becomes an item of State revenue for the Uniform School Fund.

4. Local district-bonded indebtedness for school facilities is limited to 4 percent of the State equalized-assessed valuation of taxable property. By law, all taxable property must be assessed at 30 percent of its reasonable fair cash value.

5. Taxes for capital outlay and debt service are in addition to those required and authorized for school operating expenses.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support the calculated State program allowan**
Total................................	(Est.) 88,587,000 (100.0%)	
STATE-SUPPORTED MINIMUM SCHOOL PROGRAM (Ch. 110, Regular Session Laws of Utah, 1967)	The State-Supported Minimum School Program is composed of kindergarten, elementary and secondary schools. It is divided into three main categories and five supplemental parts.	
Main Categories		
Basic State-Supported School Program (**Category I**)	(Est.) $72,775,000 (82.2%) **Basic State-Supported School Program is a basic guarantee to all school districts as a minimum support for an educational program. It is based on the premise that all school districts will levy 16 mills on the assessed valuation in their school district, and that if the money raised from this local levy does not reach a sum as established by the legislature for each distribution unit ($7,700) plus transportation, the State will make up the difference from the Uniform School Fund. All forty school districts of the State participate. If a school district raises more with a 16-mill levy than is required to meet the basic distribution unit amount, the excess shall be paid into the State Uniform School Fund. Only one school district is affected by this provision.**	**State share.--The calculated amount of gory 1 based on the State established penditure level for distribution units transportation minus the yield from th quired local 16-mill levy equals the S share.** **Local share.--A 16-mill local levy is quired to participate in category 1 of State-Supported Minimum School Program Local tax receipts from this required which exceed the State established exp ture level for distribution units plus transportation are transmitted to the Treasurer as overcollections. Such ov collections are paid into the State Un School Fund.**
Distribution Units (DU's)	1. Kindergarten: 1DU for 50 ADA 2. Grades 1-12: 1 DU for 27 ADA 3. Special allowances: 1 DU for each teacher of small schools, homebound or hospitalized classes and classes for handicapped children. 4. Summer kindergarten: $\frac{\text{ADA}}{50} \text{x} \frac{45}{\text{Days in School Yr.}}$ = No. of DU's 5. Supervisory personnel: 1 DU for district superintendent and 1 DU for each 9 DU's computed above. 6. Summer term vocational agriculture and home economics classes maximum possible per class 1/3 DU.	
Vocational Education (Ch. 114, Regular Session Laws of Utah, 1967)	7. Vocational program for high school students: 85 DU's on a formula developed by the State Board of Education.	

PUBLIC SCHOOL FINANCE PROGRAM

UPPORT, 1968-69

of State funds for the public schools and for program participation

nd percent of State funds for school support, ation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
.... (Est.) 88,587,000 (100.0%)		
ROGRAM of Utah, The State-Supported Minimum School Program is composed of kindergarten, elementary and secondary schools. It is divided into three main categories and five supplemental parts.		
(Est.) $72,775,000 (82.2%) **Basic State-Supported School Program** is a basic guarantee to all school districts as a minimum support for an educational program. It is based on the premise that all school districts will levy 16 mills on the assessed valuation in their school district, and that if the money raised from this local levy does not reach a sum as established by the legislature for each distribution unit ($7,700) plus transportation, the State will make up the difference from the Uniform School Fund. All forty school districts of the State participate. If a school district raises more with a 16-mill levy than is required to meet the basic distribution unit amount, the excess shall be paid into the State Uniform School Fund. Only one school district is affected by this provision. ... 1. Kindergarten: 1DU for 50 ADA 2. Grades 1-12: 1 DU for 27 ADA 3. Special allowances: 1 DU for each teacher of small schools, homebound or hospitalized classes and classes for handicapped children. 4. Summer kindergarten: $\frac{ADA}{50} \times \frac{45}{\text{Days in School Yr.}}$ = No. of DU's 5. Supervisory personnel: 1 DU for district superintendent and 1 DU for each 9 DU's computed above. 6. Summer term vocational agriculture and home economics classes maximum possible per class 1/3 DU. 7. Vocational program for high school students: 85 DU's on a formula developed by the State Board of Education.	State share.--The calculated amount of Category 1 based on the State established expenditure level for distribution units plus transportation minus the yield from the required local 16-mill levy equals the State share. Local share.--A 16-mill local levy is required to participate in category 1 of the State-Supported Minimum School Program. Local tax receipts from this required levy which exceed the State established expenditure level for distribution units plus transportation are transmitted to the State Treasurer as overcollections. Such overcollections are paid into the State Uniform School Fund.	Requirements for participation.--School districts must employ only teachers who are legally certificated, adopt and file a salary schedule with the State Board of Education, provide transportation or a reasonable amount for subsistence in lieu thereof for all students who live over 2.5 miles from schools, and have a supervisory program that meets State standards. A 9-month school term, interpreted as at least 180 actual teaching days, is required. Extent of participation.--All 40 school districts. Distribution.--September, 10 percent; December, 10 percent; January, 10 percent; February, 10 percent; March, 10 percent; May, 20-25 percent; June 10-15 percent; and July, the balance.

UTAH

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and exten district participation an for distributing Stat
Distribution Units (DU's)--continued 8. Financial relief for epidemics or other factors beyond the control of the local school district may be granted by the State Board of Education by allowing a percentage in distribution units otherwise allowable during any year when the ratio between average daily attendance and average daily enrollment drops more than 2 percent below the average ratio for the highest 2 of the preceding 3 years in such district. 9. The State Board of Education may penalize a local school district if its percentage of certificated professional personnel drops below 92 percent of its computed distribution units; an exception may be made if it is determined that the difference is due to a lack of plant facilities and the district has been making an adequate effort to meet its building needs.		
Transportation (Est.) $2,200,000 (2.5%) An allowance of $2.50 per mile annually for the average number of miles traveled per day by each pupil transported, exclusive of special trips. No school district shall receive more than 100 percent of its transportation costs exclusive of capital outlay.	State share.--100 percent of calculated amount. Local share.--16 mills qualifying levy for participation in State-Supported School Program.	
State-Supported Leeway Program (Category II) (Est.) $5,100,000 (5.8%) State-supported leeway program provides that a school district may levy an additional levy from 1 to 12 mills. For each mill levied, the State guarantees $140 per distribution unit. That is, if a 1 mill does not raise an amount of money equal to $140 times the number of distribution units that the school district has, the State from the Uniform School Fund will make up the difference. This makes it possible for every school district which desires to levy an additional 12 mills, or portion thereof, to have an education program at a level higher than the basic program. If a school district raises more than the $140 per distribution unit per mill levied, it may keep the excess money for	State share.--$140 per distribution unit times each mill levied locally by the school board in excess of 16 mills but not in excess of 28 mills minus the yield from this local levy. Local share.--The yield of the local additional levy.	Extent of participation.- districts.

nued

public schools and for program participation

ds for school support, ances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
iet for epidemics or beyond the control of ool district may be State Board of Educa- ng a percentage in dis- s otherwise allowable r when the ratio be- daily attendance and enrollment drops more below the average ra- ghest 2 of the preced- such district. rd of Education may pen- school district if its certificated profes- el drops below 92 per- mputed distribution ption may be made if it that the difference is of plant facilities and as been making an ade- o meet its building		
2,200,000 (2.5%) 2.50 per mile annually umber of miles traveled upil transported, ex- l trips. No school dis- ve more than 100 percent tion costs exclusive of	State share.--100 percent of calculated amount. Local share.--16 mills qualifying levy for participation in State-Supported School Program.	
5,100,000 (5.8%) eeway program provides strict may levy an addi- 1 to 12 mills. For the State guarantees tion unit. That is, if raise an amount of 40 times the number of s that the school dis- ate from the Uniform make up the difference. ssible for every school sires to levy an addi- r portion thereof, to program at a level asic program. If a aises more than the tion unit per mill ep the excess money for	State share.--$140 per distribution unit times each mill levied locally by the school board in excess of 16 mills but not in excess of 28 mills minus the yield from this local levy. Local share.--The yield of the local additional levy.	Extent of participation.--37 school districts.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares fo the calculated State progr
State-Supported Leeway Program--continued	improvement of its education program. Thirty-seven school districts participate under this provision.	
State-Supported Voted Leeway Program (Category III)	(Est.) $185,000 (.2%) III. State-supported voted leeway program provides that a school district may by a vote of the people in that district levy an additional mill levy not to exceed 10 mills. For each mill levied, the State guarantees $110 per distribution unit. If a school district raises more than the $110 per distribution unit per mill levied, it may keep the excess money for improvement of its educational program. Eleven school districts participate under this provision.	State share.--$110 per distr times each mill voted locall 28 mills but not in excess o nus the yield from this loca Local share.--The yield of t voted levy.
Supplemental Parts		
Retirement (Ch. 105, Regular Session Laws of Utah, 1967) (Not included in fund total.)	(Est.) $7,900,000 1. The actual cost of the employer contribution required by local school districts under the provisions of the Utah Employees' Retirement Act. The amount is 4.0 percent of total wages paid to members. The actual cost of the employer contribution required by local school districts under the terms of the Federal Social Security Act. The amount will be 4.8 percent in January 1969, of total wages paid to all employees, limited to $7,800 for any one person.	State share.--100 percent o amount. Local share.--None.
Extended Year and Summer Program	$ 800,000 (.9%) 2. Funds will be allocated to local school districts on the basis of $80 per distribution unit. The number of distribution units to which a district is entitled will be determined from its estimated data for the ensuing school year according to the number of units contained in (1) special school approvals, and (2) regular elementary and secondary	State share.--100 percent o prorated amount. Local share.--None.

PUBLIC SCHOOL FINANCE PROGRAM

JPPORT, 1968-69--continued

f State funds for the public schools and for program participation

d percent of State funds for school support, tion of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
improvement of its education program. Thirty-seven school districts participate under this provision.		
(Est.) $185,000 (.2%) III. State-supported voted leeway program provides that a school district may by a vote of the people in that district levy an additional mill levy not to exceed 10 mills. For each mill levied, the State guarantees $110 per distribution unit. If a school district raises more than the $110 per distribution unit per mill levied, it may keep the excess money for improvement of its educational program. Eleven school districts participate under this provision.	State share.--$110 per distribution unit times each mill voted locally in excess of 28 mills but not in excess of 38 mills minus the yield from this local levy. Local share.--The yield of the locally voted levy.	Extent of participation.--11 school districts.
(Est.) $7,900,000 f 1. The actual cost of the employer contribution required by local school districts under the provisions of the Utah Employees' Retirement Act. The amount is 4.0 percent of total wages paid to members. The actual cost of the employer contribution required by local school districts under the terms of the Federal Social Security Act. The amount will be 4.8 percent in January 1969, of total wages paid to all employees, limited to $7,800 for any one person.	State share.--100 percent of calculated amount. Local share.--None.	Extent of participation.--40 school districts.
$ 800,000 (.9%) 2. Funds will be allocated to local school districts on the basis of $80 per distribution unit. The number of distribution units to which a district is entitled will be determined from its estimated data for the ensuing school year according to the number of units contained in (1) special school approvals, and (2) regular elementary and secondary	State share.--100 percent of calculated or prorated amount. Local share.--None.	Requirements for participation.--A school district must submit a plan to the State Board of Education outlining the proposed expenditures, the type of program to be conducted, and the objective to be accomplished. Extent of participation.--All 40 school districts. Distribution.--Semiannually.

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of district participation and sc for distributing State ai
Extended Year and Summer Program--continued school programs, including full-time kindergarten. Final payment will be based upon actual performance and costs of the approved program. The initial allocation will be adjusted to actual final data. If the aggregate number of distribution units for the State multiplied by $80 exceeds $800,000, then the amount per distribution unit will be a lesser amount prorated among the school districts. Where funds in excess of the $80 per distribution unit are available, the amount per distribution unit shall be increased accordingly.		
Libraries and Instructional Centers $500,000 (.6%) 3. Under this program an allocation shall be established for each school district on the basis of $50 per distribution unit calculated from the estimated number of units for the ensuing school year for (1) special schools and (2) regular elementary and secondary programs, including full-time kindergarten, plus $350 for each regular full-time day school in operation in the district for that school year. Any funds not apportioned under the above formula shall be reallocated to districts on the basis of the distribution units used in the above calculation as each district's aggregate number bears to the total of the aggregate for the State. In the event the formula requires more funds than provided by the State, the amount per distribution unit will be decreased accordingly.	State share.--100 percent of calculated or prorated amount. Local share.--None.	Requirements for participati school district must submit the State Board of Education the proposed expenditures, th program to be conducted, and tives to be accomplished. Extent of participation.--All districts. Distribution.--Semiannually.
Data Processing System $300,000 (.3%) 4. Provides for the development and implementation of a statewide data processing system for the public schools of the State.	State share.--100 percent of cost. Local share.--None.	Requirements for participati cable. Extent of participation.--NA Distribution.--NA

nds for the public schools and for program participation

pf State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
l programs, including full-time rgarten. Final payment will be upon actual performance and costs e approved program. The initial ation will be adjusted to actual data. e aggregate number of distribution for the State multiplied by $80 ds $800,000, then the amount per ibution unit will be a lesser t prorated among the school dis- s. Where funds in excess of the er distribution unit are available, mount per distribution unit shall creased accordingly.		
$500,000 (.6%) this program an allocation shall tablished for each school district e basis of $50 per distribution calculated from the estimated num- f units for the ensuing school year l) special schools and (2) regular ntary and secondary programs, in- ng full-time kindergarten, plus for each regular full-time day l in operation in the district for school year. Any funds not appor- d under the above formula shall be ocated to districts on the basis of istribution units used in the a- calculation as each district's gate number bears to the total of ggregate for the State. In the the formula requires more funds provided by the State, the amount istribution unit will be decreased dingly.	State share.--100 percent of calculated or prorated amount. Local share.--None.	Requirements for participation.--A school district must submit a plan to the State Board of Education outlining the proposed expenditures, the type of program to be conducted, and the objectives to be accomplished. Extent of participation.--All 40 school districts. Distribution.--Semiannually.
$300,000 (.3%) des for the development and imple- tion of a statewide data processing m for the public schools of the .	State share.--100 percent of cost. Local share.--None.	Requirements for participation.--Not applicable. Extent of participation.--NA Distribution.--NA

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	**State and local shares for the calculated State program**
Educational Television $ 69,000 (.1%) 5. Provides for development of educational television programs for the public schools of the State.	State share.--100 percent of c Local share.--None.
BOND UNIT OR ALTERNATE BUILDING AID (Ch. 112, Regular Session Laws of Utah, 1967) $2,945,000 (3.3%) **Qualified** districts participate in either the Bond Unit Aid portion or the Alternate Building Aid portion, whichever gives the district the greater amount. Need is based on 30 pupils per unit which includes those required for increased enrollments, overcrowded conditions, and replacement of intolerable classrooms. The number of additional classrooms a district shall need during the five-year period following the date of first qualification, including the first qualifying year, must equal or exceed 30 percent of the number of said district's existing classrooms at the beginning of said period. Said district's assessed valuation per child is below the average of the averages of the assessed valuation per child of the school districts of the State. State support under the Bond Unit Aid portion is determined by calculating the district's yield from a 12-mill qualifying tax and, except for the initial qualifying year, deducting this amount from the smaller of (a) 10 percent of the highest amount of long-term bond liability during any 5 year eligibility period plus interest or (b) the actual bond principal payments made during the preceding school year plus interest. For the initial qualifying year, the calculation is based on 10 percent of the net long-term liability. As alternate building aid (Alternate Building Aid portion of State Building Aid Fund)the State shall contribute to each district for each one-fourth-mill levy that it imposes in excess of 12 mills, up to 1½ mills, an amount equal to the amount raised by such excess tax multiplied by the ratio of State to local money in the basic State-supported school program for maintenance and	State share.--100 percent of t lated or prorated amount. Local share.--Participation in nate Building Aid portion of t requires that a district be bo percent of legal capacity and 1½ mills in excess of 12 mills year of participation.

PUBLIC SCHOOL FINANCE PROGRAM

SUPPORT, 1968-69 --continued

of State funds for the public schools and for program participation

and percent of State funds for school support, lation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 69,000 (.1%) 5. Provides for development of educational television programs for the public schools of the State.	State share.--100 percent of cost. Local share.--None.	Not applicable.
AID $2,945,000 (3.3%) of Utah, Qualified districts participate in either the Bond Unit Aid portion or the Alternate Building Aid portion, whichever gives the district the greater amount. Need is based on 30 pupils per unit which includes those required for increased enrollments, overcrowded conditions, and replacement of intolerable classrooms. The number of additional classrooms a district shall need during the five-year period following the date of first qualification, including the first qualifying year, must equal or exceed 30 percent of the number of said district's existing classrooms at the beginning of said period. Said district's assessed valuation per child is below the average of the averages of the assessed valuation per child of the school districts of the State. State support under the Bond Unit Aid portion is determined by calculating the district's yield from a 12-mill qualifying tax and, except for the initial qualifying year, deducting this amount from the smaller of (a) 10 percent of the highest amount of long-term bond liability during any 5 year eligibility period plus interest or (b) the actual bond principal payments made during the preceding school year plus interest. For the initial qualifying year, the calculation is based on 10 per cent of the net long-term liability. As alternate building aid (Alternate Building Aid portion of State Building Aid Fund)the State shall contribute to each district for each one-fourth-mill levy that it imposes in excess of 12 mills, up to $1\frac{1}{2}$ mills, an amount equal to the amount raised by such excess tax multiplied by the ratio of State to local money in the basic State-supported school program for maintenance and	State share.--100 percent of the calculated or prorated amount. Local share.--Participation in the Alternate Building Aid portion of this fund requires that a district be bonded to 95 percent of legal capacity and levy up to $1\frac{1}{2}$ mills in excess of 12 mills during each year of participation.	Requirements for participation.-- This includes a survey of school facilities and the maintenance of a current and comprehensive school facilities plan for existing and needed facilities. A copy of the survey must be filed with the Superintendent of Public Instruction. In addition, districts participating in the Bond Unit Aid are required to: (a) make available for building projects all funds available as of the close of the fiscal year; (b) certify that the school plant is adequately covered by fire insurance; (c) establish eligibility; (d) need additional classrooms at the beginning of the 5-year period; and (e) meet other requirements specified by law and regulation. Extent of participation.--14 school districts. Any district which did not receive State building aid monies during fiscal year 1967, may not become qualified to receive monies under this act. Distribution.--Three allocations per year; 50 percent in October; 25 percent in January; and 25 percent in June.

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements district par for dist
BOND UNIT OR ALTERNATE BUILDING AID--continued			
	operation. A district cannot receive less under this provision than it would receive if calculated under the Bonding Aid provision.		
SCHOOL LUNCH FUND (Ch. 111, Regular Session Laws of Utah, 1967)	(Est.) $1,675,000 (1.9%) The amount indicated is the estimated, raised by 8 percent tax on liquor and wine and disbursed to participating districts on a reimbursement basis. Amount based on number of type A lunches served to children.	State share.--100 percent of calculated amount. Additional amounts of cash and commodities are also provided from Federal sources. Local share.--None.	Requirements school distr pate in the required to State Board monthly stat ly financial employ such ister proper Each distric its own prog set for type K-12 are eli who are unab or at a redu Extent of pa tricts. Distribution fiscal year; October.
CONTINUING SCHOOL BUILDING AID FUND (Ch. 11, Laws of Utah, 1961)	(Est.) $1,300,000 (1.5%) Continuing school building aid is based on the number of "school building units," determined by taking the sum of the distribution units as calculated the regular way and a half of the increased number of distribution units for the current year over the number for the preceding year. Accounts are maintained for each of the 25 qualified and participating districts, and district allocations may be withdrawn and used for approved projects or accumulated for later use on approved projects.	State share.--State support for each district represents the difference between the amount thus determined and $700 times the total number of school building units in the district. If the amount available from appropriation is insufficient to meet the need thus determined, the available money is prorated and the deficiency is paid the next year. Local share.--Participating districts levy a tax rate of 6 mills.	Requirements districts mu facilities current and ing and need plan must be of Educatio established proved. Sp for school Extent of p tricts. Distributio

ontinued

the public schools and for program participation

funds for school support, llowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
A district cannot receive his provision than it e if calculated under the provision.		
$1,675,000 (1.9%) ndicated is the estimated, percent tax on liquor and bursed to participating a reimbursement basis. on number of type A ed to children.	State share.--100 percent of calculated amount. Additional amounts of cash and commodities are also provided from Federal sources. Local share.--None.	Requirements for participation.--Each school district is eligible to participate in the school lunch program and is required to sign an agreement with the State Board of Education and submit a monthly statistical report and a quarterly financial report. Local boards must employ such personnel as needed to administer properly the school lunch program. Each district is required to supervise its own program in line with standards set for type A meal. Children in grades K-12 are eligible to participate and any who are unable to pay are to be fed free or at a reduced price. Extent of participation.--40 school districts. Distribution.--Nine allocations during fiscal year; first allocation is in October.
$1,300,000 (1.5%) chool building aid is based r of "school building units," y taking the sum of the dis- its as calculated the regu- a half of the increased num- ibution units for the cur- er the number for the preced- ccounts are maintained for 25 qualified and participat- s, and district allocations rawn and used for approved accumulated for later use on jects.	State share.--State support for each district represents the difference between the amount thus determined and $700 times the total number of school building units in the district. If the amount available from appropriation is insufficient to meet the need thus determined, the available money is prorated and the deficiency is paid the next year. Local share.--Participating districts levy a tax rate of 6 mills.	Requirements for participation.--School districts must conduct a survey of school facilities requirements and maintain a current and comprehensive plan of existing and needed facilities. A copy of this plan must be approved by the State Board of Education. Project priority must be established and project plans must be approved. Specified tax rates or amounts for school facilities must be levied. Extent of participation.--25 school districts. Distribution.--As requested by districts.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support o the calculated State program allowan
DRIVER EDUCATION FUND (Ch. 113, Regular Session Laws of Utah, 1967) (Est.) $500,000 (.6%) School districts reimbursed for the costs of the driver education program up to $30 per pupil but not exceeding actual cost. Whenever the amount received from the earmarked tax is insufficient to reimburse all school districts for all students grades 9-12 who have attained their sixteenth birthday receiving training, the reimbursement is prorated on the basis of the number of students trained.	State share.--100 percent of actual c up to $30 per pupil. Local share.--Costs in excess of $30 pupil.
VOCATIONAL EDUCATION FUND (Ch. 114, Regular Session Laws of Utah, 1967) (Est.) $238,000 (.3%) Reimbursement is determined on the basis of financial data from school district superintendents and presidents of vocational schools, which indicates the total cost of vocational education programs including supervision, guidance, teacher travel, salaries, instructional supplies and equipment. Allocations are made for the following levels and areas: high school, post high school, adults and for persons with special needs. Vocational sections concerned are--distributive education, health occupations, homemaking, office occupations, vocational agriculture, trades and industries, and technician training.	State share.--A portion of approved l costs. Local share.--Costs in excess of State imbursement.

PUBLIC SCHOOL FINANCE PROGRAM

1968-69--continued

funds for the public schools and for program participation

nt of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
(Est.) $500,000 (.6%) chool districts reimbursed for the osts of the driver education program up o $30 per pupil but not exceeding act- al cost. henever the amount received from the armarked tax is insufficient to reim- se all school districts for all stu- ents grades 9-12 who have attained heir sixteenth birthday receiving raining, the reimbursement is prorated n the basis of the number of students rained.	State share.--100 percent of actual cost up to $30 per pupil. Local share.--Costs in excess of $30 per pupil.	Requirements for participation.--A school district must provide driver training education by a qualified instructor who meets certification requirements of State Department of Education. Extent of participation.--All 40 districts and the State Industrial School. Distribution.--Annually at end of school year.
(Est.) $238,000 (.3%) eimbursement is determined on the basis financial data from school district perintendents and presidents of voca- ional schools, which indicates the to- al cost of vocational education pro- rams including supervision, guidance, eacher travel, salaries, instructional upplies and equipment. Allocations are ade for the following levels and areas: igh school, post high school, adults d for persons with special needs. Vo- ational sections concerned are--dis- ributive education, health occupations, omemaking, office occupations, voca- ional agriculture, trades and indus- ies, and technician training.	State share.--A portion of approved local costs. Local share.--Costs in excess of State reimbursement.	Requirements for participation.--Establish vocational programs of less-than-college grade for vocational agriculture, distributive education, homemaking, trades and industries, health occupations, office occupations, and technician training. Other requirements include: (a) instructors meet the minimum provisions of the State plan as to qualifications, (b) local districts or institutions provide adequate facilities for the training. Extent of participation.--39 districts and 8 post secondary schools. Distribution.--Quarterly.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations for taxation purposes are established by county assessors who are elected by the people. County commissioners have authority to adjust property assessments. The State Tax Commission has authority to adjust valuations for the purpose of equalizing them on a statewide basis, and the State Tax Commissioner, on a continuous county-by-county rotation basis and with the cooperation of the various county assessors, makes a valuation of all taxable property at least once every 5 years.

Local districts.--Under the provisions of the State foundation program, all school districts are required to levy a property tax of 16 mills on the State-equalized fair value of the taxable property of the district. This levy is mandatory on all districts and requires no electoral or board approval in the separate districts. Local district receipts produced by this 16-mill levy, which are in excess of $7,700 plus the amount allowed for pupil transportation expenses, are not retained in the district as local revenue but are collected as a State tax and used for foundation program support for other districts.

In order to receive benefits of the State-supported board leeway program and as its contribution toward the cost of its State-supported board leeway program and for the purpose of determining the size of its State-supported board leeway program, each school district may impose a tax levy, in addition to its minimum basic tax levy, which may range, in multiples of one, from 1 mill, to and including 12 mills.

In school districts wherein the proceeds of a 1-mill levy equal or exceed the cost of the $140 per distribution unit State-supported board leeway program in said district, there shall be no leeway contribution by the State.

With the consent of a majority of the electors of the district voting at an election or elections held for that purpose, any district may maintain a school program in excess of the cost of the programs referred to above. Said additional program shall be known as the State-supported voted leeway program of the district. Under the State-supported voted leeway program, the State will contribute an amount sufficient to guarantee $110 per distribution unit for each mill raised locally not to exceed 10 mills as voted by the people. Tax levies for capital outlay and debt service are in addition to these provisions.

Provisions for School Indebtedness

Initiating bond issues.--Local boards of education of any school district may borrow money, issuing therefor negotiable bonds. The proposal for issuing school-district bonds must be submitted to the registered voters of the district for their approval or disapproval at a special bond election called for that purpose.

Limitations on issuance of bonds.--Bonds issued may be either serial or sinking-fund type. The maximum term is 20 years. Present practice is to issue serial bonds for a period of 10 years.

Limitations on debt.--School bonds may be issued for capital outlay or for other school purposes, not to exceed 4 percent of the reasonable fair cash value of taxable property in the school district. By law all taxable property must be assessed at 30 percent of its reasonable fair cash value. The legal maximum of debt that may be created is provided in the statutes. There is no other authority to change these limits except by legislative action.

Voting requirements.--School bonds must be approved in a s
by a majority of the property owners in the district who partic
election. To be eligible to vote, a property owner must have p
tax during the past 12 months.

Approval and sale of bonds.--No further approval of school
is required. Bonds are usually sold on a fixed interest basis.
does not assist with the sale of bonds, and it is not required
first be offered to State agencies. Bond funds may be investe

Bond records, tax levies, and payments.--The tax levies ne
retiring bonds may be above, and in addition to those authorize
current program. Bond records are kept by the local school bo
determine and certify the levies necessary to retire the indebt
local board of education is responsible for the repayment of sc
bonds.

Short-term indebtedness.--Local school boards are authori
money when necessary to meet expenses before taxes are collecte
of such loans cannot exceed the amount of uncollected taxes.
must be repaid during the fiscal year.

Short-term loans are also authorized when necessary to mee
and above the revenues for the year. However, such indebtedne
ized by vote of the electors and the tax authorized cannot exte
years.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--The State Auditor prescribes and provides
form for all school districts. The school fiscal year begins
ends on June 30.

Local approval.--On or before June 1 of each year, the su
each school district must prepare and file with the board of e
district a tentative school budget. This budget shall be plac
the clerk of the board of education for public inspection for
least 15 days prior to its adoption.

The district board of education must adopt a budget for t
year and make the necessary appropriations to govern expenditu
on or before June 30. Notice of the board meeting for the ado
get must be published at least 1 week in advance of the meetin
paper which is published in the district or which has circulat
and a public hearing must have been held on the budget prior t

Any local board of education can decrease the district bu
but to increase the budget it must go through the same procedu
tion. Budgets are not required to be submitted to any other
review.

or taxation purposes are estab-
e people. County commissioners
The State Tax Commission has
f equalizing them on a statewide
inuous county-by-county rotation
unty assessors, makes a valuation
ars.

e State foundation program, all
tax of 16 mills on the State-
he district. This levy is man-
l or board approval in the sepa-
d by this 16-mill levy, which are
pupil transportation expenses,
e but are collected as a State
other districts.

pported board leeway program and
-supported board leeway program
ts State-supported board leeway
evy, in addition to its minimum
one, from 1 mill, to and in-

a 1-mill levy equal or exceed the
ported board leeway program in
tion by the State.

rs of the district voting at an
district may maintain a school
ferred to above. Said additional
ted leeway program of the dis-
rogram, the State will contri-
distribution unit for each mill
y the people. Tax levies for
to these provisions.

cation of any school district may
The proposal for issuing school-
ed voters of the district for
election called for that purpose.

ued may be either serial or sink-
resent practice is to issue seri-

sued for capital outlay or for
f the reasonable fair cash value
law all taxable property must be
sh value. The legal maximum of
utes. There is no other author-
action.

Voting requirements.--School bonds must be approved in a special election by a majority of the property owners in the district who participate in the election. To be eligible to vote, a property owner must have paid a property tax during the past 12 months.

Approval and sale of bonds.--No further approval of school bond issues is required. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds, and it is not required that bonds first be offered to State agencies. Bond funds may be invested until needed.

Bond records, tax levies, and payments.--The tax levies necessary for retiring bonds may be above, and in addition to those authorized for the current program. Bond records are kept by the local school boards which determine and certify the levies necessary to retire the indebtedness. The local board of education is responsible for the repayment of school district bonds.

Short-term indebtedness.--Local school boards are authorized to borrow money when necessary to meet expenses before taxes are collected. The amount of such loans cannot exceed the amount of uncollected taxes. These loans must be repaid during the fiscal year.

Short-term loans are also authorized when necessary to meet expenses over and above the revenues for the year. However, such indebtedness must be authorized by vote of the electors and the tax authorized cannot extend beyond 5 years.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--The State Auditor prescribes and provides a uniform budget form for all school districts. The school fiscal year begins on July 1 and ends on June 30.

Local approval.--On or before June 1 of each year, the superintendent of each school district must prepare and file with the board of education of his district a tentative school budget. This budget shall be placed on file with the clerk of the board of education for public inspection for a period of at least 15 days prior to its adoption.

The district board of education must adopt a budget for the next fiscal year and make the necessary appropriations to govern expenditures for the year on or before June 30. Notice of the board meeting for the adoption of the budget must be published at least 1 week in advance of the meeting in a daily newspaper which is published in the district or which has circulation in the district, and a public hearing must have been held on the budget prior to its adoption.

Any local board of education can decrease the district budget by resolution, but to increase the budget it must go through the same procedure as before adoption. Budgets are not required to be submitted to any other local agency for review.

Provisions for School Budgets--continued

State review or approval.--A copy of the official school budget must be filed with the State Auditor after it has been adopted by the local board of education. A copy is also filed with the State Department of Public Instruction.

Provisions for School Audits

School audits are required to be made annually of all school districts, except those districts under 2,500 population, which must be audited biennially. All school audits are made by a competent accountant not reg
the district. The audit for any fiscal year must be com
6 calendar months after the close of such fiscal year.
audits is borne by the local school systems. Copies are
Auditor and with the State Superintendent of Public Inst

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al school budget must be filed
the local board of education.
blic Instruction.

of all school districts, except
audited biennially. All

school audits are made by a competent accountant not regularly employed in the district. The audit for any fiscal year must be completed not less than 6 calendar months after the close of such fiscal year. The cost of these audits is borne by the local school systems. Copies are filed with the State Auditor and with the State Superintendent of Public Instruction.

VERMONT
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

VERMONT PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. George H. Daley, Chief, Statistics and Information, Vermont State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 39 percent of the nonfederal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.
2. One hundred percent of the State grant money for schools is derived from legislative appropriations. There are no State taxes earmarked for school support.
3. About 81 percent of the State money for public schools is distributed through the State Aid Fund and is for current operating expenses.
4. The State Aid Fund provides for a "basic need" level of $554.77 per elementary pupil and $743 per secondary pupil in ADM or the resident current expenditure whichever is less.
5. Teacher salary requirements range from $4,400 for 2 years' college preparation and no experience to $6,700 for 5 years' college preparation and 10 years' experience.
6. About 12 percent of the State grant money is for the provision of school facilities. Thirty percent of approved project costs are paid by the State.
7. The balance of the State support program gives assistance for educating handicapped children, vocational education, and maintenance of rural one- and two-room schools.

LOCAL SUPPORT

1. An estimated 97 percent of the local tax support for public elementary and secondary schools is derived from taxes levied on personal and real property valuations as included in the State grant list.
2. The only local nonproperty tax source used for public school support is the poll tax. Specified values for the taxable poll are included in the grand list and taxed at rates approved for levy against property. However, separate tax bills are issued for the poll tax. Approximately 3 percent of the local tax support for schools is from taxable polls. There are no other nonproperty taxes authorized for school support.
3. No county taxes are authorized for public school support.
4. Participation in the State Aid Fund requires local districts to levy a rate equal to 1 percent on the fair market value of taxable property plus 50 percent of Forest receipts and income from P.L. 874.
5. There is no specified maximum limit to the tax rate for the schools which may be approved by the voters of the district.
6. Except as otherwise provided, school bonds may not be issued which will produce a school debt above 10 percent of the assessed valuation of the school district.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Req di
Total	$40,504,318 (100.0%)		
STATE AID FUND (Title 16, Ch. 123, Secs. 3441 to 3446, Vermont Statutes Annotated)	$32,994,228 (81.5%)		
	The State aid formula or foundation program provides for a "Basic Need" level of $554 per elementary pupil in ADM and $743 per secondary pupil in ADM, or the resident current expenditure whichever is less. The local effort or "local capacity" is determined by adding the revenue derived from a 1 percent tax on the fair market value of taxable property plus 50 percent of the Forest receipts plus income from P.L. 874. The State allotment is determined by subtracting the local "capacity" or local effort from the "basic need."	State share.--Basic need minus local capacity equals State allotment. Local share.--Local contribution is local capacity plus all costs above the program level for the district.	Req tri men of ing spe Als abi pro Tra
SCHOOL BUILDING CONSTRUCTION FUND (Title 16, Ch. 123, Secs. 3447, 3448, 3456, 4457(a), Vermont Statutes Annotated.)	$4,648,259 (11.5%)		Ext sch Dis for
	State funds for approved projects provide construction costs for union district high schools, elementary schools, or municipal high schools. Half of the State share is paid upon proof that the approved project is under construction and the balance due is paid upon completion of the project. State money for this program is obtained from the sale of State bonds. The State after July 1, 1968 will pay 20 percent of principal and interest on bond payment for life of bonds. The State will also provide 75 percent of construction for Special Education classroom approved by division of Special Education and State Board.	State share. 30 percent of approved construction costs plus interest on the outstanding bonds. Twenty percent of principal and interest on bond payments and 75 percent of construction on Special Education Classrooms. Local share.--Remainder of the construction costs.	Req dis tem vot tio urg

PUBLIC SCHOOL FINANCE PROGRAM

ORT, 1968-69

State funds for the public schools and for program participation

percent of State funds for school supp[illegible], on of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . . . . $40,504,318 (100.0%)		
$32,994,228 (81.5%) 446,		
The State aid formula or foundation program provides for a "Basic Need" level of $554 per elementary pupil in ADM and $743 per secondary pupil in ADM, or the resident current expenditure whichever is less. The local effort or "local capacity" is determined by adding the revenue derived from a 1 percent tax on the fair market value of taxable property plus 50 percent of the Forest receipts plus income from P.L. 874. The State allotment is determined by subtracting the local "capacity" or local effort from the "basic need."	State share.--Basic need minus local capacity equals State allotment. Local share.--Local contribution is local capacity plus all costs above the program level for the district.	Requirements for participation.--Districts must comply with State requirements for teachers' salaries, appointment of superintendents, preparation and filing of financial reports, and as otherwise specified. Also, school districts are required to abide by the following salary schedule provisions: Training Begin 5 years 10 years 2 4,400 4,900 5,400 3 4,900 5,400 5,900 4 5,400 5,900 6,400 5 5,700 6,200 6,700 Extent of participation.--All 253 local school districts Distribution.--Funds distributed on or before December 1.
$4,648,259 (11.5%) 8,		
State funds for approved projects provide construction costs for union district high schools, elementary schools, or municipal high schools. Half of the State share is paid upon proof that the approved project is under construction and the balance due is paid upon completion of the project. State money for this program is obtained from the sale of State bonds. The State after July 1, 1968 will pay 20 percent of principal and interest on bond payment for life of bonds. The State will also provide 75 percent of construction for Special Education classroom approved by division of Special Education and State Board.	State share. 30 percent of approved construction costs plus interest on the outstanding bonds. Twenty percent of principal and interest on bond payments and 75 percent of construction on Special Education Classrooms. Local share.--Remainder of the construction costs.	Requirements for participation.--School districts must apply for approval of contemplated school construction projects and vote necessary local funds. New construction, additions, and alterations must be urgently needed and meet State standards.

VERMONT

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and district participati for distriuuting
SPECIAL EDUCATION FOR HANDICAPPED CHILDREN FUND (Title 16, Ch. 101, Secs. 2941-2952, Vermont Statutes Annotated) $1,876,041 (4.6%) Money for this program is not actually distributed to the separate school districts but is used by the Commissioner of Education to provide necessary educational facilities and services to meet the needs of handicapped children. By State law, the Commissioner of Education is charged with the responsibility to superintend and direct all matters relating to the education of these children and to have charge of their instruction in such schools as he may designate. Local school districts are required to reimburse the State Board of Education for the educational expenditures for handicapped pupils from the district in an amount equal to the local amount per pupil in ADA spent for other children the preceding school year.	State share.--The State bears the remainder of all costs above the average per pupil cost for the district and up to $100 per year for transportation. Local share.--All costs up to the average per pupil cost for the district plus cost of transportation amounts to over $100 per year.	Requirements for part districts must have e children. Extent of participati school districts, to Distribution.--Paymen September and January
VOCATIONAL EDUCATION FUND (Title 16, Ch. 23, Secs. 1021, 1026, Vermont Statutes Annotated) $ 500,715 (1.0%) Portions of the aid, shown above, are provided for aid to area vocational schools in conformity with the Vocational Education Act of 1963. Also portions are distributed to local districts to match amounts expended by the United States to the extent required by the Manpower Development and Training Act of 1962. Also, tuition costs are provided for pupils in grades 9-12 attending vocational education programs in other districts within the State.	State share.--State pays one-half the total tuition for each semester of attendance other equalizing and matching portions. Local share.--Remainder of costs after Federal and State portions are paid.	Requirements for par tricts must have voc meet State standards with directions, reg ments as prescribed. Extent of participat 15 area vocational c total of 91 high sch Distribution.--3 pay August.
DRIVER EDUCATION AND TRAINING FUND (House Bill No. 22, Special Session of General Assembly, 1966) $ 485,075 (1.2%) The superintendent of schools and instructor certifies to the Commissioner of Education the facts concerning all costs, including number of pupils instructed, salaries of instructors, equipment, materials and supplies, etc.,	State share.--The State pays all approved and reasonable costs of the driver education and training program. Local share.--None.	Requirements for par education and traini proved by the State and the Department o supervisory union te have a driver educat available in all pub on or before Septemb and Parochial School Education are reimbu

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for the public schools and for program participation

State funds for school support, ict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$1,876,041 (4.6%)		
this program is not actually ed to the separate school dis- t is used by the Commissioner ion to provide necessary educa- cilities and services to meet of handicapped children. By , the Commissioner of Education d with the responsibility to nd and direct all matters relat- e education of these children ve charge of their instruction chools as he may designate. Lo- l districts are required to re- he State Board of Education for tional expenditures for handi- pils from the district in an ual to the local amount per pu- A spent for other children the school year.	State share.--The State bears the remainder of all costs above the average per pupil cost for the district and up to $100 per year for transportation. Local share.--All costs up to the average per pupil cost for the district plus cost of transportation amounts to over $100 per year.	Requirements for participation.--School districts must have educable handicapped children. Extent of participation.--Approximately 227 school districts, to date, August 6, 1968. Distribution.--Payments made twice a year, September and January.
$ 500,715 (1.0%)		
of the aid, shown above, are for aid to area vocational n conformity with the Vocational Act of 1963. Also portions are ed to local districts to match xpended by the United States to t required by the Manpower De and Training Act of 1962. tion costs are provided for pu- rades 9-12 attending vocational programs in other districts e State.	State share.--State pays one-half the total tuition for each semester of attendance other equalizing and matching portions. Local share.--Remainder of costs after Federal and State portions are paid.	Requirements for participation.--School districts must have vocational programs which meet State standards and otherwise comply with directions, regulations, and requirements as prescribed. Extent of participation.--57 high schools; 15 area vocational centers. State has a total of 91 high schools. Distribution.--3 payments, January, May, and August.
$ 485,075 (1.2%)		
intendent of schools and in- certifies to the Commissioner ion the facts concerning all cluding number of pupils in- salaries of instructors, equip- erials and supplies, etc.,	State share.--The State pays all approved and reasonable costs of the driver education and training program. Local share.--None.	Requirements for participation.--Driver education and training course must be approved by the State Department of Education and the Department of Motor Vehicles. Each supervisory union territory is required to have a driver education and training course available in all public secondary schools on or before September 1, 1969. Private and Parochial Schools and Motorcycle Driver Education are reimbursed for approved programs.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Practically all local school funds come from taxes levied on the amount of the "grand list" which includes 1 percent of the assessed valuation of taxable real and personal property plus $1 for the valuation of taxable polls. The poll tax applies to all persons 21 to 70 years of age not specifically exempted. Discounts on school taxes are allowed in incorporated school districts or city school districts but not on town school district taxes.

Tax assessments are made by the "board of listers" which determines the property valuations. The board is elected by the voters in the local town or school district meeting. County commissioners, or similar officials, have no authority to change assessments. Assessment procedures are not supervised by State officials, and Vermont has no State Board of Equalization.

Intermediate districts.--None.

Local districts.--All local school tax rates are determined by vote of the local school district at the annual school district meeting. There are no required minimum or specified maximum school tax rates provided by law. All school districts are fiscally independent except the few city school departments.

Provisions for School Indebtedness

Initiating bond issues.--Proposals to issue bonds are initiated by the local school district.

Limitations on issuance of bonds.--No nonschool governmental agency is concerned with the issuance of school bonds except in the case of city school departments. City bonds are issued to defray the expense of city school construction. School bonds must be issued as serial bonds and may not exceed a term of 20 years without enabling legislation.

Limitations on debt.--Bond issues for school construction are limited to 10 percent of the local assessed valuation of the school district except when construction projects under the State aid for school building construction law are involved. The bonding limit is set aside for project approval under the provisions of the school building construction statute.

Voting requirements.--No bonds may be issued or debt created without a vote of citizens of the school district who are legally qualified to vote. A majority of such qualified voters must vote favorably for the bond issue to be authorized.

Approval and sale of bonds.--Bonds may be sold on a yield basis on the open market without restriction. The State does not assist with the sale of school bonds except in the case of State-issued bonds for school building construction aid. It is not necessary for bonds to be offered first to a State agency or to be approved by any State agency. Proceeds of the sale of bonds may be invested until needed for the purpose for which voted.

Bond records, tax levies,
for building construction are
cial taxes for debt services may
trict is responsible for maintai
urer, under the direction of the
payments of bonds and of interes

Short-term indebtedness.--
anticipation of current revenues
term indebtedness during any cu
usually retired by increasing t
debt is not retired by vote of
required to add to the next tax
sessed valuation, an additional

BU

Provisions for School Budgets

Budget forms.--School budge
have full responsibility for the
law. The school fiscal year beg
any date between January 1 and
December 31 and January 31.

Local approval.--The schoo
the local school district at its
in the local school district re
other authority for the approva
of the local school budget vari
budget for the following school
Monday in March; incorporated s
meetings in June; and city scho
budgets for the city's fiscal y

State review or approval.-
or approval of local budgets.

Provisions for School Audits

Audits are required annual
tricts. This requirement is a
of the school districts. The S
agency in even years. In case
tor may be employed or locally
audits is borne by the local sc
town clerk.

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Bond records, tax levies, and payments.--Amortization of the bonds issued for building construction are made a part of the local school tax levy. Special taxes for debt services may or may not be levied. The local school district is responsible for maintaining bond records. The school district treasurer, under the direction of the local school board, is responsible for all payments of bonds and of interest on bonds issued by the local school district.

Short-term indebtedness.--The local school board may borrow funds in anticipation of current revenues. There are no legal limitations on short-term indebtedness during any current fiscal year. Short-term indebtedness is usually retired by increasing the tax rate the following year. In case the debt is not retired by vote of the district, the selectment to the town are required to add to the next tax levy, in multiples of 5 percent of the assessed valuation, an additional tax to cover the deficit.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budgets are prepared by local school officials who have full responsibility for these budgets within the limits prescribed by law. The school fiscal year begins on July 1 and ends June 30, or begins on any date between January 1 and February 1, and ends on any date between December 31 and January 31.

Local approval.--The school budget is approved or disapproved by vote of the local school district at its annual meeting and is required to be printed in the local school district report prior to the annual meeting. There is no other authority for the approval of school budgets. The date for the adoption of the local school budget varies. Local town school districts adopt their budget for the following school year on the first Tuesday after the first Monday in March; incorporated school districts usually hold their annual meetings in June; and city school departments, in general, adopt their school budgets for the city's fiscal year on the first Tuesday in March.

State review or approval.--The State has no authority regarding review or approval of local budgets.

Provisions for School Audits

Audits are required annually for the accounts of all types of school districts. This requirement is a provision of the State statutes and the charters of the school districts. The State Auditor's office may serve as the auditing agency in even years. In case the citizens of a town so vote, a private auditor may be employed or locally elected auditor may be used. The cost of these audits is borne by the local school system. Audit reports are filed with the town clerk.

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chool funds come from taxes
udes 1 percent of the as-
rty plus $1 for the valua-
persons 21 to 70 years
ool taxes are allowed in
cts but not on town school

ers" which determines the
oters in the local town
or similar officials,
t procedures are not su-
te Board of Equalization.

re determined by vote of
rict meeting. There are
rates provided by law.
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pt in the case of city
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school building con-
et aside for project
g construction statute.

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on a yield basis on
s not assist with the sale
onds for school building
be offered first to a
Proceeds of the sale of
for which voted.

VIRGINIA
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

VIRGINIA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S.Office of Education, providing current program facts on State and local support for local school services. John G. Blount, Jr., Assistant Superintendent for Administration and Finance, Virginia State Board of Education, served at the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 38 percent of the nonfederal revenue for elementary and secondary school support is provided by the State.

2. State funds distributed to school districts are principally derived from legislative appropriations. This accounts for about 97 percent of the total State aid apportionment. For the remaining 3 percent, slightly less than 2 percent is from income earned for the public schools by the State Literary Fund and slightly more than 1 percent is from two-thirds of the State capitation tax, which is earmarked for the public schools.

3. Over 80 percent of the State funds allocated to school districts is for teachers' salaries. The State minimum salary for beginning teachers is $4,700 to $6,500 (12 steps) for teachers with collegiate or collegiate professional certificates and $3,000 to $4,200 (12 steps) for teachers with normal school professional, elementary, and special certificates.

4. The Pupil Transportation Fund accounts for 3 percent of the total State educational contribution. Allowances to local districts are made on the basis of miles traveled, pupils transported, and number of buses.

5. The Virginia State Sales and Use Tax Act provides that the proceeds of 1¢ Sales Tax be returned to the schools on the basis of school population and must be expended for school operation, capital outlay and/or debt service.While receipts from this fund are considered by law a local effort, the fund is taxed and distributed by the State and as a consequence is listed as a State distribution for purposes of this publication.

LOCAL SUPPORT

1. County and city districts are authorized to levy a maximum tax rate of 30 mills on the local assessed valuation of taxable property.

2. County boards of supervisors and city councils may supplement the school fund through cash appropriations.

3. A 25-mill property tax may be levied for current capital outlay for schools in addition to the 30 mills authorized for operational support.

4. Taxes for debt service are in addition to the 30-mill tax levy authorized for current expense and the 25-mill tax authorized for current capital outlay.

5. Public indebtedness in the cities is limited to 18 percent of the assessed valuation and is for all public debt obligations, including public schools. There is no prescribed limit for county school districts.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		**State and local shares for support of the calculated State program allowance**	**Req di**
Total	$288,685,425 (100.0%)		
BASIC STATE SCHOOL FUND (Ch. 806, Acts of Assembly, 1968.)	$187,283,115* (64.9%) The total cost of salaries is determined based on the State Minimum Salary Scale for State-aid teaching positions. A State-aid teaching position is one position for each 30 pupils in ADA in elementary grades (1 through 7), and one position for each 23 in ADA in high school grades (8 through 12). The salary allotments per State-aid teaching position is determined based on the following mandatory State Minimum Salary Scale: Collegiate and Collegiate Professional certificate--$4,700 - $6,500; 12 steps Normal Professional, Elementary and Special Certificate--$3,000-$4,200; 12 steps. ($500 additional for persons holding Masters' degree.)	State share.--Supplementary State share equals: Total cost of salaries, plus other operating costs, minus basic State share (60 percent of total cost of salaries). Total State Contribution Basic State School Fund equals: Basic State share (60 percent of total cost of salaries) plus supplementary State share. Local share.--A required local effort for each district of 60 cents based on 1966 true values of real estate and public service corporations.	Req tio any in whi Tea pro sal Ext cit Dis
Other operating costs.............	ADA of district times $110 ADA is determined from first 7 months of current school year.		
STATE SALES TAX FUND	$ 61,480,000 (21.3%)		
(Nonrestricted)..................	This fund is comprised of the proceeds of a State-levied one-cent general sales tax which is distributed by the State Comptroller to localities on the basis of school population. This fund is earmarked for schools and may be expended for current operation, capital outlay and/or debt service. The expenditure of these funds by locality is not subject to any prescribed redistribution formula. These funds are counted as local funds in respect to measures of local effort.	State share.--100 percent of amount. Local share.--None. (However, these funds are counted as local funds in respect to measures of local effort.)	Req Ext
VOCATIONAL EDUCATION FUND (Ch. 806, Acts of Assembly, 1968)	$ 8,924,270 (3.1%) State reimburses local districts 60 percent of the State Minimum Salary Scale converted from 10 to 12 months; 50 percent of approved travel costs; and limited amounts for equipment on a matching basis.	State share.--Percentage of salary and travel costs plus matching equipment costs. Local share.--Remaining percentage of salary and travel costs plus matching amounts.	Req pro cri App fil Ext cit Dis

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* State appropriation	$184,048,115
Literary Fund Income	2,235,000
Capitation Taxes	1,000,000

PUBLIC SCHOOL FINANCE PROGRAM

68-69

unds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. $288,685,425 (100.0%)		
$187,283,115* (64.9%) otal cost of salaries is determined on the State Minimum Salary Scale tate-aid teaching positions. A -aid teaching position is one posi- for each 30 pupils in ADA in elemen grades (1 through 7), and one posi- for each 23 in ADA in high school s (8 through 12). The salary allot per State-aid teaching position is mined based on the following manda- State Minimum Salary Scale: legiate and Collegiate Professional tificate--$4,700 - $6,500; 12 steps mal Professional, Elementary and cial Certificate--$3,000-$4,200; steps. ($500 additional for per- s holding Masters' degree.) f district times $110 s determined from first 7 months rrent school year.	State share.--Supplementary State share equals: Total cost of salaries, plus other operating costs, minus basic State share (60 percent of total cost of salaries). Total State Contribution Basic State School Fund equals: Basic State share (60 percent of total cost of salaries) plus supplementary State share. Local share.--A required local effort for each district of 60 cents based on 1966 true values of real estate and public service corporations.	Requirements for participation.--No apportionment from this fund shall be made to any county or city for teaching positions in excess of the number allotted and for which teachers are not actually employed. Teachers must be paid no less than the appropriate amount specified in the State salary schedule. Extent of participation.--131 counties and cities. Distributed.--Monthly, July through May.
$ 61,480,000 (21.3%) fund is comprised of the proceeds State-levied one-cent general sales which is distributed by the State roller to localities on the basis hool population. This fund is earmd for schools and may be expended urrent operation, capital outlay r debt service. The expenditure of funds by locality is not subject y prescribed redistribution formula funds are counted as local funds spect to measures of local effort.	State share.--100 percent of amount. Local share.--None. (However, these funds are counted as local funds in respect to measures of local effort.)	Requirements for participation.--None. Extent of participation.--All localities.
$ 8,924,270 (3.1%) reimburses local districts 60 per- of the State Minimum Salary Scale rted from 10 to 12 months; 50 per- of approved travel costs; and limit ounts for equipment on a matching s.	State share.--Percentage of salary and travel costs plus matching equipment costs. Local share.--Remaining percentage of salary and travel costs plus matching amounts.	Requirements for participation.--Vocational programs in high schools must meet prescribed standards for vocational education. Applications for reimbursement must be filed with the State Board of Education. Extent of participation.--131 counties and cities. Distributed.--Quarterly.

VIRGINIA

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and district participat for distributi
PUPIL TRANSPORTATION FUND (Ch. 806, Acts of Assembly, 1968)	$ 8,747,135 (3.0%) Forty percent of the fund is distributed on the basis of an equal amount for each mile traveled in transporting pupils to and from the public schools; 40 percent is distributed on the basis of an equal amount per pupil transported in ADA; and 20 percent is distributed on the basis of an equal amount for each school bus in daily use during the current school year which meets State Board of Education standards. (Pupils and miles - based on previous school year; Buses - based on current school year)	Local share.--Remainder of pupil transportation costs.	Requirements for pa portation must be p accordance with Sta Extent of participa and cities. Distributed.--In Oc April.
SPECIAL EDUCATION FUND (Ch. 806, Acts of Assembly, 1968)	$ 5,862,000 (2.0%) The State reimburses local districts for 60 percent of the salaries of special education teachers based on the State Minimum Salary Scale; 60 percent of an hourly rate for visiting teachers; 100 percent of salaries in hospitals and sanatoriums, and flat sums for positions of psychologist, therapist, and attendant.	State share.--Appropriate percentage for approved position amounts. Local share.--Remainder of costs for special education programs.	Requirements for pa must organize and p cational services f bound children. Extent of participa and cities. Distributed.--Semi- and June.
TEXTBOOK FUND (Ch. 806, Acts of Assembly, 1968) (1968-69 and 1969-70)	$ 2,208,000 (0.8%) "One time" appropriation only for years of 1968-69 and 1969-70 Provides $2 per pupil enrolled for establishment and/or maintenance of rental or free textbook systems in elementary and high schools (Former Free Textbook Fund discontinued.)	State share.--100 percent of approved amount. Local share.--Remaining costs of textbooks.	Requirements for pa and/or maintain a s textbooks. Extent of distribut cities. Distributed.--Once December.
TEACHER EDUCATION AND TEACHING SCHOLARSHIP FUND (Loan) (Ch. 806, Acts of Assembly, 1968) Teacher Education..$ 170,995 Scholarships.......$2,205,000	$ 2,375,995 (0.8%) Teaching scholarships are provided in an amount of $350 each for a maximum of 4 years. Repayment requirements may be cancelled by 1 year of teaching for each year of scholarship received.	State share.--100 percent of approved amount. Local share.--None.	Requirements for pa application for sch

-69--continued

s for the public schools and for program participation

State funds for school support, rict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 8,747,135 (3.0%)		
ercent of the fund is distributed basis of an equal amount for each aveled in transporting pupils to m the public schools; 40 percent ributed on the basis of an equal per pupil transported in ADA; and ent is distributed on the basis qual amount for each school bus y use during the current school ich meets State Board of Educa- andards. (Pupils and miles - based ious school year; Buses - based ent school year)	Local share.--Remainder of pupil transportation costs.	Requirements for participation.--Transportation must be provided for pupils in accordance with State standards. Extent of participation.--106 counties and cities. Distributed.--In October, December, and April.
$ 5,862,000 (2.0%)		
te reimburses local districts for ent of the salaries of special on teachers based on the State Salary Scale; 60 percent of an rate for visiting teachers; 100 of salaries in hospitals and iums, and flat sums for positions hologist, therapist, and atten-	State share.--Appropriate percentage for approved position amounts. Local share.--Remainder of costs for special education programs.	Requirements for participation.--Districts must organize and provide approved educational services for handicapped and homebound children. Extent of participation --124 counties and cities. Distributed.--Semi-annually in January and June.
$ 2,[illegible]08,000 (0.8%)		
me" appropriation only for years -69 and 1969-70 Provides $2 per nrolled for establishment and/or ance of rental or free textbook in elementary and high schools Free Textbook Fund discontinued.)	State share.--100 percent of approved amount. Local share.--Remaining costs of textbooks.	Requirements for participation.--Establish and/or maintain a system of rental or free textbooks. Extent of distribution.--100 counties and cities. Distributed.--Once a year, usually in December.
$ 2,375,995 (0.8%)		
g scholarships are provided in an of $350 each for a maximum of 4 Repayment requirements may be ed by 1 year of teaching for each scholarship received.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--Approved application for scholarship.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requi dist
GUIDANCE COUNSELORS' FUND (Ch. 806, Acts of General Assembly, 1968) $2,012,000 (0.7%)		
State and Federal funds are used to reimburse 60 percent of the salaries used for approved guidance positions based on the State Minimum Salary Scale.	State share.--60 percent of approved salary amount. Local share.--Remainder of salary costs.	Requ Coun posi Exte and
LOCAL SUPERVISION FUND (Ch. 806, Acts of General Assembly, 1968) $1,479,360 (0.5%)		Dist
State reimburses local school districts for 60 percent of salary costs, based on State Salary Scale, for approved positions of directors of instruction, supervisors, and visiting teachers.	State share.--60 percent of approved costs. Local share.--Remainder of costs of approved supervision positions.	Requ fund of d teac ific Exte and
DRIVER EDUCATION FUND (Ch. 806, Acts of General Assembly, 1968) $ 934,000 (0.3%)		Dist
An amount not to exceed $40 per pupil.	State share.--100 percent of approved amount. Local share.--Remaining driver education costs.	Requ appr Exte citi
TEACHERS' SICK LEAVE FUND (Ch. 806, Acts of General Assembly, 1968) $ 1,008,715 (0.3%)		Dist
Allows $5 per day for substitutes employed under State sick-leave plan for teachers.	State share.--100 percent of approved amount. Local share.--Remainder of costs of substitute teachers' salaries.	Requ must educ Exte citi
TWELVE-MONTH PRINCIPALS' FUND (Ch. 806, Acts of General Assembly, 1968) $ 916,560 (0.3%)		Dist
The State reimburses local districts 60 percent of two months' salary of approved 12-month principals' positions, based on State Minimum Salary Scale.	State share.--Percentage of approved costs. Local share.--Remainder of principals' salaries costs.	Requ Is f who Exte citi Dist year

PUBLIC SCHOOL FINANCE PROGRAM

, 1968-69--continued

te funds for the public schools and for program participation

ent of State funds for school support, f district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
8) $2,012,000 (0.7%) tate and Federal funds are used to re- mburse 60 percent of the salaries used or approved guidance positions based on ne State Minimum Salary Scale.	State share.--60 percent of approved salary amount. Local share.--Remainder of salary costs.	Requirements for participation.--Guidance Counselors must be employed in approved positions. Extent of participation.--131 counties and cities. Distributed.--Semi-annually.
) $1,479,360 (0.5%) ate reimburses local school districts r 60 percent of salary costs, based on ate Salary Scale, for approved posi- ons of directors of instruction, super- sors, and visiting teachers.	State share.--60 percent of approved costs. Local share.--Remainder of costs of approved supervision positions.	Requirements for participation.--The fund is to be used to help pay salaries of directors of instruction, visiting teachers, and supervisors who meet qualifications prescribed by State. Extent of participation.--121 counties and cities. Distributed.--Semi-annually.
) $ 934,000 (0.3%) amount not to exceed $40 per pupil.	State share.--100 percent of approved amount. Local share.--Remaining driver education costs.	Requirements for participation.--Provide approved driver education classes. Extent of participation.--127 counties and cities. Distributed.--Semi-annually.
$ 1,008,715 (0.3%) ows $5 per day for substitutes em- yed under State sick-leave plan for chers.	State share.--100 percent of approved amount. Local share.--Remainder of costs of substitute teachers' salaries.	Requirements for participation.--Claims must be filed by the local boards of education. Extent of participation.--130 counties and cities. Distributed.--In June of each year.
$ 916,560 (0.3%) State reimburses local districts 60 cent of two months' salary of approved nonth principals' positions, based on te Minimum Salary Scale.	State share.--Percentage of approved costs. Local share.--Remainder of principals' salaries costs.	Requirements for participation.--The fund is for payment of salaries for principals who are employed on a 12-month basis. Extent of participation.--130 counties and cities. Distributed.--In October or November each year.

VIRGINIA

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and district participat for distributin
IN-SERVICE TRAINING FUND (Ch. 806, Acts of General Assembly, 1968) $ 800,000 (0.3%) Provides funds for summer school scholarships and in-service training classes on local and regional levels.	State share.--100 percent of approved amount. Local share.--None.	Requirements for par comply with prescrib Regulations of State Extent of participat and cities. Distributed.--As re school year.
SUMMER SCHOOL FUND (Ch. 806, Acts of General Assembly, 1968) $1,710,475 (0.6%) An amount per pupil not to exceed $25 from State funds (based on defined operating costs).	State share.--100 percent of approved amount. Local share.--Remaining summer school costs	Requirements for pa in accordance with State Board of Educ Extent of participa and cities. Distributed.--In De
PUBLIC SCHOOLS LIBRARY FUND (Ch. 806, Acts of General Assembly, 1968) $1,142,990 (0.4%) (Maintaining libraries)......... Funds are provided for maintenance of libraries and for other teaching material for the public schools based on library units determined according to the preceding year's ADA. The State provides two-thirds or $40 per library unit. Districts send the local order and local share of the costs of such units to the State Board of Education which processes the library orders, adds the State share, and mails the orders and checks to the publishers for delivery direct to the schools.	State share.--Approved percentage of costs per library unit. Local share.--Remainder of costs (one-third) of each library unit.	Requirements for pa tricts must have es school libraries a vided for the main ries. Extent of partici and cities.
EDUCATIONAL TELEVISION FUND (Ch. 806, Acts of General Assembly, 1968) $1,000,000 (0.3%) Distributed on a matching basis not to exceed $1 per pupil.	State share.--100 percent of approved amount. Local share.--Remaining costs for educational television.	Requirements for p television instruc Extent of particip and cities. Distributed.--In A

ntinued

the public schools and for program participation

funds for school support, llowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 800,000 (0.3%) s for summer school scholar- service training classes on ional levels.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--Meet or comply with prescribed requirements of Regulations of State Board of Education. Extent of participation.--119 counties and cities. Distributed.--As requested during the school year.
$1,710, 475 (0.6%) pupil not to exceed $25 nds (based on defined oper-	State share.--100 percent of approved amount. Local share.--Remaining summer school costs.	Requirements for participation.--Operate in accordance with Regulations of the State Board of Education. Extent of participation.--97 counties and cities. Distributed.--In December of each year.
$1,142,990 (0.4%) ovided for maintenance of i for other teaching mate- public schools based on s determined according to g year's ADA. The State pro- irds or $40 per library unit. nd the local order and local costs of such units to the of Education which processes orders, adds the State share, e orders and checks to the or delivery direct to the	State share.--Approved percentage of costs per library unit. Local share.--Remainder of costs (one-third) of each library unit.	Requirements for participation.--Districts must have established public school libraries and use the funds provided for the maintenance of the libraries. Extent of participation.--131 counties and cities.
$1,000,000 (0.3%) on a matching basis not to r pupil.	State share -100 percent of approved amount. Local share.--Remaining costs for educational television.	Requirements for participation.--Provide television instructional program. Extent of participation.--98 counties and cities. Distributed.--In April of each year.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
SUPERINTENDENTS' FUND (Ch. 806, Acts of General Assembly, 1968)	$ 455,810 (0.2%)	
Superintendents' salaries.......	School divisions, or districts, receive a minimum salary allowance for the employment of a superintendent of schools. Allotments determined by classification of census of school districts. Classifications of Districts Census — Minimum Salary 0 - 2,000 - $3,900 2,000 - 2,999 - 4,300 3,000 or more 5,300 Plus $10 for each 100 in excess of 3,000.	State share.--The State contributes 60 percent of the computed amount.
CONTINGENCY FUND (Ch. 806, Acts of General Assembly, 1968)	$ 150,000 (0.1%)	
Current expenditures............	This fund is distributed each year to aid those county and city school systems which are unable to operate a 9-month school term with the local and State funds otherwise provided. Money is provided on a budget-deficit basis and may be used for current expenditures only.	State share.--100 percent of approved amount. Local share.--None.
PILOT STUDY FUND (Ch. 806, Acts of General Assembly, 1968)	$ 75,000 (0.0%)	
	Approved projects on a 50 percent matching basis.	State share.--Approved project matching amount. Local share.--Remaining 50 percent of cost of study.
ADULT EDUCATION FUND (Ch. 719, Acts of General Assembly, 1966)	$ 120,000 (0.1%)	
	Reimbursement at the rate of 60 percent of not exceeding $5 per hour for approved classes.	Local share.--Remaining costs.

DESCRIPTION OF STATE LOAN DISTRIBUTION
State Literary Fund (Constitution, Sec. 134; Statutes, Secs. 22-101 to 22-115)

This revolving fund provides loans to county and city school boards for the construction of public school buildings. As of July 1, 1968, loans outstanding amounted to $12,000,000 plus an amount transferred to the Virginia Education

PUBLIC SCHOOL FINANCE PROGRAM

1968-69 --continued

funds for the public schools and for program participation

t of State funds for school support, district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 455,810 (0.2%)		
ool divisions, or districts, receive inimum salary allowance for the em- yment of a superintendent of schools. otments determined by classification census of school districts. Classifications of Districts ensus — Minimum Salary 0 - 2,000 - $3,900 00 - 2,999 - 4,300 00 or more 5,300 s $10 for each 100 in excess of 3,000.	State share.--The State contributes 60 percent of the computed amount.	Requirements for participation.--A school superintendent, meeting State Board of Education requirements, must be employed. Distributed.--Paid monthly to Division Superintendents.
$ 150,000 (0.1%)		
s fund is distributed each year to those county and city school systems ch are unable to operate a 9-month ool term with the local and State ds otherwise provided. Money is pro- ed on a budget-deficit basis and may used for current expenditures only.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--Local boards of education must apply to the State Board that the school system is unable, by using all available funds, to maintain a 9-month school term without special aid. Extent of participation.--7 counties in 1967-68. Distributed.--In May or June of each year.
$ 75,000 (0.0%)		
roved projects on a 50 percent match- basis.	State share.--Approved project matching amount. Local share.--Remaining 50 percent of cost of study.	Requirements for participation.--Approved project application. Extent of participation.--23 counties and cities. Distributed.--Reimbursed as requested based on progress of project.
$ 120,000 (0.1%)		
mbursement at the rate of 60 percent not exceeding $5 per hour for approv- classes.	Local share.--Remaining costs.	Requirements for participation.--Classes in adult education must be approved by the State Department of Education. Extent of participation.--46 counties and cities. Distributed.--Usually once a year in May or June.

34; Statutes, Secs. 22-101 to 22-115)

nty and city school boards for the construction of public school buildings.
unted to $12,000,000 plus an amount transferred to the Virginia Education

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requi dist
DESCRIPTION OF STATE LOAN DISTRIBUTION--continued			

Assistance Authority as collateral. The Virginia Education Assistance Authority is authorized to borrow funds to be re-loaned to localities for school construction. However, localities may not borrow from the V.E.A.A. without a vote of the people. There are approximately $20,000,000 worth of applications pending subject to approval (July 1968) of final plans and specifications and availability of funds. The present rate of interest is 3 percent.

STATE ADMINISTRATIVE EXPENSES			
Retirement of Teachers	$38,125,120	Appropriation to State Board of Education -	Trans
State Administration	405,310	Administrative expenses - State level	
School Planning, Testing and Guidance	617,905	" " " "	
State Supervision, Secondary Education	646,405	" " " "	
State Supervision, Elementary Education and Special Education	322,245	" " " "	
Directing Educational Research	209,665	" " " "	
Production of Films	53,930	For production of films and film strips	
Law Enforcement Scholarships	50,000	Self explanatory.	
Advisory Committee on Fire Service Training	25,000	" "	

9--continued

for the public schools anu for program participation

State funds for school support, ict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ued		
ia Education Assistance Authorit n. However, localities may not 0,000 worth of applications pend y of funds. The present rate of	y is authorized to borrow funds to be orrow from the V.E.A.A. without a vote ng subject to approval (July 1968) of interest is 3 percent.	
$38,125,120	Appropriation to State Board of Education -	Transferred to Retirement System.
405,310	Administrative expenses - State level	
617,905	" " " "	
646,405	" " " "	
d		
322,245	" " " "	
209,665	" " " "	
53,930	For production of films and film strips	
50,000	Self explanatory.	
g 25,000	" "	

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--A State agency supervises the assessment procedures subject to the limitations provided by law and makes studies to determine the actual ratios of assessed values to the selling prices of real estate in counties and school districts. These ratios are used in apportioning State aid for schools.

Property valuations for purposes of taxation, except valuations of real estate, are established by an elected city or county commissioner of revenue as the case may be. Valuations of real estate are made under general law by a local board of assessors appointed by appropriate judicial authority except that in some cities and in a few counties, such valuations are made annually by a permanent or continuing board of real estate assessors appointed by the governing body of the city or county concerned. A State agency supervises the assessment procedures employed in the assessment of real estate subject to limitations provided by law and makes studies to determine the ratio of assessed values to selling prices of real estate, which are used in apportioning school aid.

Intermediate districts.--None.

Local districts.--County and city school districts are authorized to levy a maximum tax of 30 mills on local assessed valuation. Boards of supervisors in the counties and councils in the cities may supplement the school fund through a cash appropriation. In addition, each district may levy up to 25 mills for current capital outlay. Cities operate as separate administrative units and are completely independent of the county in which they are geographically located.

Provisions for School Indebtedness

Initiating bond issues.--School districts have complete responsibility for initiating bond issues.

Limitations on issuance of bonds.--The maximum time limit for payment of bonds is 30 years. Serial bonds are not required. School bonds may be issued only for capital outlay purposes.

Limitations on debt.--The Constitution provides that in cities all bond issues, including school bond issues, be limited to 18 percent of the local assessed valuation of real estate. In counties there is no prescribed limit. No State executive agency has authority to fix the debt limit or approve a higher limit in special cases.

Voting requirements.--All bonds are required to be approved at a special election by vote of a majority of the qualified electors who participate in the election.

Approval and sale of bonds.--Spe
not required for school bond issues.
be first offered to a State agency fo
is offered. Bond issues are usually
interest basis. Funds from the sale
invested.

Bond records, tax levies, and pa
levied over and above those for gener
filed in the school board offices, th
safekeeping. Repayment of bonds is

Short-term indebtedness.--Tempo
the tax-levying body in an amount no
from the school tax or half of the ca
one year.

BUDGE

Provisions for School Budgets

Budget forms.--Estimates of nee
the school superintendent with the a
boards on forms prescribed by the Sta
on July 1 and ends on June 30.

Local approval.--Estimates of n
for approval to the county boards of
June 1. These governing bodies have
and, consequently, to reduce the pro
quired for school budgets but the ta
public if an increase in the general
the governing bodies for current sch
must be published or posted before a

State review or approval.--Ther
filing of school budgets with a State

Provisions for School Audits

School system audits are made a
these audits is charged to the local
concerns may be authorized to make a
lations prescribed by the State Audi

evenue

tate agency supervises the assessment procedures
ided by law and makes studies to determine the
s to the selling prices of real estate in counties
tios are used in apportioning State aid for

rposes of taxation, except valuations of real
lected city or county commissioner of revenue as
real estate are made under general law by a local
appropriate judicial authority except that in
es, such valuations are made annually by a per-
eal estate assessors appointed by the governing
erned. A State agency supervises the assessment
ssment of real estate subject to limitations pro-
to determine the ratio of assessed values to sell-
h are used in apportioning school aid.

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nd city school districts are authorized to levy
cal assessed valuation. Boards of supervisors
the cities may supplement the school fund
In addition, each district may levy up to 25 mills
ties operate as separate administrative units and
he county in which they are geographically lo-

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chool districts have complete responsibility for

bonds.--The maximum time limit for payment of
s are not required. School bonds may be issued
s.

Constitution provides that in cities all bond
ssues, be limited to 18 percent of the local as-
. In counties there is no prescribed limit. No
ority to fix the debt limit or approve a higher

bonds are required to be approved at a special
of the qualified electors who participate in the

Approval and sale of bonds.--Special approval by an agency of the State is not required for school bond issues. Although it is not necessary for bonds to be first offered to a State agency for purchase, State assistance in bond sales is offered. Bond issues are usually, though not necessarily, sold on a fixed interest basis. Funds from the sale of bonds not immediately required may be invested.

Bond records, tax levies, and payments.--Tax levies for indebtedness are levied over and above those for general school purposes. Bond records are filed in the school board offices, the treasurer's office, or in the court for safekeeping. Repayment of bonds is handled through county or city treasurers.

Short-term indebtedness.--Temporary loans may be made with the approval of the tax-levying body in an amount not to exceed half of the estimated yield from the school tax or half of the cash appropriation, and must be repaid within one year.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Estimates of needs for the school budget are prepared by the school superintendent with the assistance and approval of local school boards on forms prescribed by the State. The State school fiscal year begins on July 1 and ends on June 30.

Local approval.--Estimates of need for school budgets must be submitted for approval to the county boards of supervisors or to the city council by June 1. These governing bodies have the authority to reduce the total proposed and, consequently, to reduce the proposed tax levy. No public hearing is required for school budgets but the tax-levying body is required to notify the public if an increase in the general property tax levy, above that approved by the governing bodies for current school operation, is contemplated. Budgets must be published or posted before adoption.

State review or approval.--There is no statutory regulation requiring the filing of school budgets with a State agency.

Provisions for School Audits

School system audits are made annually by the State Auditor. The cost of these audits is charged to the local school systems involved. However, private concerns may be authorized to make audits in accordance with rules and regulations prescribed by the State Auditor.

WASHINGTON
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

WASHINGTON PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. George A. Glenn, Statistician, Administration and Finance, Washington State Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 75 percent of the nonfederal revenue for the public schools, grades K-12, is provided through State grant distributions.
2. The total amount of State funds allocated for public schools is derived from legislative appropriation.
3. Distribution formula provides for a guaranteed, equalized amount from State and designated local funds. The guaranteed amount for the 1968-69 school year is an estimated $368 per "weighted" pupil.
4. About 5 percent of the State funds is apportioned for school construction. The State pays from 0 to 90 percent of the matchable cost of building projects depending on the equalized valuation of district property and the number of certificated employees.
5. State provides the smaller amount of either 90 percent of the approved cost of transportation or actual cost for the current year.

LOCAL SUPPORT

1. An estimated 70 percent of the county and local revenue receipts for schools is obtained from local property taxes.
2. Slightly less than half of the remaining 30 percent of county and local revenue for schools is derived from local sources such as payments in lieu of taxes, student fees, and rental of school property. There are no local nonproperty taxes authorized for school support.
3. The balance of county and local public school revenue is obtained from a 1 percent countywide real estate transfer tax. This is the only authorized county tax for schools.
4. County and local taxes required for participation in the State's basic and equalization distributions include a 14-mill local levy for unified school districts, an 8.4-mill levy for elementary school districts, and the 1 percent countywide real estate transfer tax. One-fifth of the required property tax levy may be used for capital outlay or to accumulate a capital outlay fund.
5. There is no legal limit on the local property tax rate which may be levied when properly authorized by the voters.
6. Total public school indebtedness is limited to 10 percent of the assessed valuation. Only bonds which raise the district's indebtedness to more than 1.5 percent of the local assessed valuation require voter approval.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			State and local shares for supp the calculated State program all
Total	$304,511,500	(100.0%)	
GENERAL FUND--Basic Support Portion (Current expense, grades K-12) (Ch. 143, Laws of 1967 Extraordinary Session) Formula provides for a guaranteed, equalized amount from State. The guaranteed amount for 1968-69 year is $368 per "weighted" pupil. Districts shall be guaranteed an amount per weighted pupil of not less than 100 percent of the amount computed from State and local receipts to the General (Maintenance and Operation) Fund in 1966-67. The "weighted" pupil factors are as follows: .5 for each child in kindergarten .3 additional for each pupil, grades 7-12 .2 additional for each full-time equivalent pupil enrolled in approved vocational classes. .1 additional for each pupil enrolled in a program for culturally disadvantaged. 0 through 19.0 range; additional per pupil for higher salary costs by reason of added professional preparation and/or longer years of experience. .002 through 2.0 range; additional for each pupil enrolled in elementary districts which are "remote and necessary" and in which there are fewer than 100 pupils. .001 through 2.0 range; additional for each pupil enrolled in high schools which conduct approved programs, and in which the total enrollment in grades 9-12 is fewer than 250. After the total amount of guarantee for each district has been computed, there is a deduction of certain local receipts (Local effort) to determine, if any, what State funds are required to meet the guarantee. Deductions are as follows: 85 percent of local taxes, 85 percent of in-lieu-of taxes, 85 percent of	$251,500,000	(82.6%)	State share.--Guarantee amount les centage of local tax receipts equa share. Local share.--14 mills for a high district and 8.4 mills for an eleme district in which the levy for the school district fund is 5.6 mills. **and 8.4 mills are used in the distr formula. However, the actual tax are 12 mills and 7.2 by reason of levy of 2 mills as stated on page**

PPORT, 1968-69

ate Funds for the public schools and for program participation

rcent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
. . . $304,511,500 (100.0%)		
Current of 1967 $251,500,000 (82.6%)	State share.--Guarantee amount less percentage of local tax receipts equals State share.	Requirements for participation.--Districts must operate schools in accordance with regulations and submit annual reports.
Formula provides for a guaranteed, equalized amount from State. The guaranteed amount for 1968-69 year is $368 per "weighted" pupil. Districts shall be guaranteed an amount per weighted pupil of not less than 100 percent of the amount computed from State and local receipts to the General (Maintenance and Operation) Fund in 1966-67.	Local share.--14 mills for a high school district and 8.4 mills for an elementary district in which the levy for the high school district fund is 5.6 mills. **14 mills and 8.4 mills are used in the distribution formula. However, the actual tax levies are 12 mills and 7.2 by reason of the State levy of 2 mills as stated on page 5.**	Extent of participation.--330 Districts. Distribution.--12 monthly payments.
The "weighted" pupil factors are as follows: .5 for each child in kindergarten .3 additional for each pupil, grades 7-12 .2 additional for each full-time equivalent pupil enrolled in approved vocational classes. .1 additional for each pupil enrolled in a program for culturally disadvantaged.		
0 through 19.0 range; additional per pupil for higher salary costs by reason of added professional preparation and/or longer years of experience.		
.002 through 2.0 range; additional for each pupil enrolled in elementary districts which are "remote and necessary" and in which there are fewer than 100 pupils.		
.001 through 2.0 range; additional for each pupil enrolled in high schools which conduct approved programs, and in which the total enrollment in grades 9-12 is fewer than 250.		
After the total amount of guarantee for each district has been computed, there is a deduction of certain local receipts (Local effort) to determine, if any, what State funds are required to meet the guarantee. Deductions are as follows: 85 percent of local taxes, 85 percent of in-lieu-of taxes, 85 percent of		

WASHINGTON

STATE SUPPORT, 1968-69 -continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and e district participatio for distributing
GENERAL FUND--continued High School District Fund, 100 percent of 1 percent Real Estate Excise Tax, 85 percent of Public Utility District Excise Tax, 85 percent of Public Law 874, and Federal Forest funds.		
SCHOOL BUILDING CONSTRUCTION FUND (Ch. 278, Laws of 1947 as amended by Ch. 56 Laws of 1967, Extraordinary Session). $13,000,000 (4.3%) Amount of State assistance is graduated downward from 90 percent of the approved project cost, depending upon the relationship of the equalized valuation of the district to the number of certified employees therein. Allotments in excess of the amounts allocable under strict application of the statutory formula may be made by the State in case of emergency.	State share.--90 percent or less of the approved project cost depending on the formula. Local share.--10 percent or more of approved project cost depending on formula.	Requirements for parti cations made to the S Public Instruction. district must establi satisfaction of State and must provide loca funds in an amount eq cent of its taxable a plus such further amo quired by the State B Extent of participati districts. Distribution.--Funds warrant of the State presentation of certi ing the amount of wo
TRANSPORTATION REIMBURSEMENT (Ch. 143 Laws of 1967, EX. Sess.) $18,500,000 (6.1%) Reimbursement of 90 percent of the smaller amount of either (a) the actual cost of pupil transportation **or (b) the amount of approved costs, plus 90 percent of the allowance computed for depreciation of buses.**	State share.--100 percent approved amount. Local share.--None.	Requirements for part costs of pupil trans lished for each distr transportation commis of the county superin sentative of the Stat Public Instruction, a of the school distric Extent of participati Distribution.--12 mo

inued

for the public schools and for program participation

State funds for school support, ict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
nool District Fund, 100 percent rcent Real Estate Excise Tax, ent of Public Utility District Tax, 85 percent of Public Law Federal Forest funds.		
$13,000,000 (4.3%) . of State assistance is graduated d from 90 percent of the approved cost, depending upon the rela- of the equalized valuation of trict to the number of certified es therein. Allotments in ex- the amounts allocable under application of the statutory for- y be made by the State in case gency.	State share.--90 percent or less of the approved project cost depending on the formula. Local share.--10 percent or more of approved project cost depending on formula.	Requirements for participation.--Applications made to the Superintendent of Public Instruction. In addition, school district must establish need to the satisfaction of State Board of Education and must provide local district capital funds in an amount equivalent to 10 percent of its taxable assessed valuation plus such further amount as may be required by the State Board of Education. Extent of participation.--60 school districts. Distribution.--Funds are disbursed by warrant of the State Treasurer upon the presentation of certified claims respecting the amount of work completed.
$18,500,000 (6.1%) sement of 90 percent of the amount of either (a) the actual pupil transportation or (b) unt of approved costs, plus 90 of the allowance computed for ation of buses.	State share.--100 percent approved amount. Local share.--None.	Requirements for participation.--Approved costs of pupil transportation are established for each district by a county transportation commission, which consists of the county superintendent, a representative of the State Superintendent of Public Instruction, and a representative of the school district. Extent of participation.--323 districts. Distribution.--12 monthly payments.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances			**State and local shares for support the calculated State program allowa**
FUND FOR EDUCATION OF HANDICAPPED CHILDREN (Ch. 120, Laws of 1943, as amended)	$14,800,000	(4.9%)	State share.--100 percent approved am Local share.--None.
	Allotment from a separate appropriation for the additional or "excess" costs incurred in a program for the education of handicapped children.		
VOCATIONAL-TECHNICAL SCHOOLS FUND (Ch. 143, Laws of 1967, Extraordinary Session)	$ 3,750,000	(1.2%)	State share.--100 percent of approved amount. Local share.--None.
	Allotment from a separate appropriation for the operation of approved vocational-technical schools.		
STATE INSTITUTIONS FUND (Ch. 143, Laws of 1967, Extraordinary Session)	$ 2,300,000	(.7%)	State share.--100 percent approved am Local share.--None.
	Allotment from a separate appropriation for the education of boys and girls confined in a State hospital or other State institution.		
ADULT EDUCATION FUND (Ch. 143, Laws of 1967, Extraordinary Session)	$ 661,500	(.2%)	State share.--100 percent approved am Local share.--None.
	Allotment from a separate appropriation for the operation of vocational and/or nonvocational education classes for adults.		

-69--continued

ate Funds for the public schools and for program participation

rcent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
LDREN $14,800,000 (4.9%) Allotment from a separate appropriation for the additional or "excess" costs incurred in a program for the education of handicapped children.	State share.--100 percent approved amount. Local share.--None.	Requirements for participation.--Districts must operate programs, approved by the office of the State Superintendent, for the education of handicapped children. Extent of participation.--114 districts. Distribution.--12 monthly payments.
$ 3,750,000 (1.2%) Allotment from a separate appropriation for the operation of approved vocational-technical schools.	State share.--100 percent of approved amount. Local share.--None.	Requirements for participation.--Only those schools which have been approved by the State Board for Vocational Education as vocational-technical schools, may receive an allotment from this fund. Extent of participation.-- 6 districts. Distribution.--12 monthly payments.
$ 2,300,000 (.7%) Allotment from a separate appropriation for the education of boys and girls confined in a State hospital or other State institution.	State share.--100 percent approved amount. Local share.--None.	Requirements for participation.--A district in which a State institution is located, is authorized to conduct an educational program for boys or girls of school age confined therein. Extent of participation.-- 12 districts. Distribution.--12 monthly payments.
$ 661,500 (.2%) Allotment from a separate appropriation for the operation of vocational and/or nonvocational education classes for adults.	State share.--100 percent approved amount. Local share.--None.	Requirements for participation.--A district must obtain approval from the State Board for Vocational Education in order to receive State funds for the operation of adult vocational classes. Similar approval must be obtained from the State Board of Education for nonvocational classes. Extent of participation.-- 110 districts. Distribution.--12 monthly payments.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations for county and local district tax purposes, except valuations of public utilities and of private car companies, are established by elected county assessors. Valuations of public utilities and of private car companies are determined by the State Tax Commission and are apportioned to the respective counties and to the taxing districts thereof on the basis of the comparative amount of such valuation located therein. The constitution requires that all property shall be assessed at 50 percent of its true and fair value.

The governing board of the county is designated by law as a board of equalization charged with the duty of equalizing among individual taxpayers the valuations established by county assessors. The State Tax Commission is vested with authority (a) to order the county board of equalization to raise or lower the valuation of any taxable property in the county; or to add property to the assessment rolls; (b) to hear and decide appeals by any taxpayers or taxing unit from decisions of the county board of equalization; and (c) to equalize among the counties the valuations to be used as the base for the State property tax levy only.

This is accomplished through establishment of a property tax assessment ratio for each county. For the current year, these ratios range from 16.0 percent to 24.3 percent as related to the constitutional requirement of 50 percent. The use of these ratios for the State property tax operates to increase the productivity of the 2-mill State property tax levy limit specified by law. These ratios are also used to determine the amount of State funds to be allotted to the school districts of the various counties to assist them in providing school plant facilities.

There is an overall constitutional property tax limitation of 40 mills on property valuation and, within this limitation, the Legislature allocates the rates which may be levied by the State and the various political subdivisions without popular election.

Intermediate districts.--There is a 1 percent county real estate transfer tax on the sale of all real estate. These funds are apportioned to school districts of the county for current operations on the basis of average annual enrollment. Expenses of the county superintendent's office are paid from funds derived from the county property tax and from State funds.

Local districts.--The school board in a district maintaining elementary and secondary schools is authorized by law to levy up to 12 mills on local assessed valuations for school purposes. The 1967 Legislature enacted a law which provides during the 1967-69 biennium, for a State property tax of 2 mills levied against the valuation of each district, adjusted to 50 percent from the "county ratio" established by the State Department of Revenue. One-fifth of this amount may be used for capital outlay or to accumulate a capital outlay fund. There is no limit on levies in excess of the 14 mills if such levies are approved by a 60 percent majority of those voting in an election in which the number of persons voting equals or exceeds 40 percent of the number who voted in the last general election. There are no property qualifications for participating in a school bond or special levy election. Excess levies must be authorized every year.

Special levies for debt service are in excess of
and are for the term of the bond issue if so authorize
the indebtedness is voted. Such levies are made annua
required.

Provisions for School Indebtedness

Initiating bond issues.--The board of directors o
may issue bonds for the purpose of purchasing school s
school facilities, and equipping school buildings. Au
obtained by the voters of the district at a regular or
election.

Limitations on issuance of bonds.--All bonds must
coupon bonds and bear interest at a rate not in excess
All school district bonds must be retired within a pe
years from their date of issuance except in first-cla
bonds may extend to as much as 40 years from date of

Limitations on debt.-- Both the constitution and
limitation on school indebtedness at 10 percent of as
edness up to 1.5 percent of the assessed valuation ma
electoral approval, while a three-fifths vote in favo
quired for approval of any indebtedness above the 1.5

Voting requirements.--An election must be held i
qualified electors participating in the election vote
issue. For the bonds to be approved, it is also requ
percent of the voters from the district participating
general election must vote in this election.

Approval and sale of bonds.--The local school bo
within 2 years after date of authorization, sell the
issue. The school board must direct the county treas
bonds for sale. After bids are received, the school
which bid, if any, was accepted. Bonds are usually s
basis. The State does not assist in the sale of bond
chase rights. Funds from the sale of bonds not immed
invested until needed.

Bond records, tax levies, and payments.--The cou
sible for maintaining the records and making the pay

The maximum tax rate for all school purposes, w
5.6 mills to 14.0 mills on true property valuations,
of district. At the time of preparing the annual bu
the board of directors of a school district is permi
therein an amount not in excess of 20 percent of the
district as determined on the basis of the maximum d
earlier. The amount so included may be expended for

ons for county and local district tax
ies and of private car companies, are
luations of public utilities and of
State Tax Commission and are appor-
taxing districts thereof on the basis
located therein. The constitution
at 50 percent of its true and fair

signated by law as a board of equali-
mong individual taxpayers the valu-
State Tax Commission is vested with
qualization to raise or lower the
nty; or to add property to the
eals by any taxpayers or taxing unit
zation; and (c) to equalize among the
se for the State property tax levy only.

ent of a property tax assessment ratio
e ratios range from 16.0 percent to
l requirement of 50 percent. The use
perates to increase the productivity
specified by law. These ratios are
unds to be allotted to the school dis-
m in providing school plant facilities.

perty tax limitation of 40 mills on
on, the Legislature allocates the rates
rious political subdivisions without

percent county real estate transfer tax
are apportioned to school districts
basis of average annual enrollment.
ice are paid from funds derived from
s.

district maintaining elementary and
vy up to 12 mills on local assessed
egislature enacted a law which provides
perty tax of 2 mills levied against the
ercent from the "county ratio" estab-
One-fifth of this amount may be used for
tlay fund. There is no limit on levies
approved by a 60 percent majority of
mber of persons voting equals or exceeds
st general election. There are no
a school bond or special levy election.
.

Special levies for debt service are in excess of other levy limitations and are for the term of the bond issue if so authorized by the electors when the indebtedness is voted. Such levies are made annually in the amount required.

Provisions for School Indebtedness

Initiating bond issues.--The board of directors of the school district may issue bonds for the purpose of purchasing school sites, constructing school facilities, and equipping school buildings. Authorization must be obtained by the voters of the district at a regular or special school election.

Limitations on issuance of bonds.--All bonds must be negotiable serial coupon bonds and bear interest at a rate not in excess of 6 percent per annum. All school district bonds must be retired within a period not to exceed 23 years from their date of issuance except in first-class districts where the bonds may extend to as much as 40 years from date of issuance.

Limitations on debt.-- Both the constitution and State statutes set the limitation on school indebtedness at 10 percent of assessed valuation. Indebtedness up to 1.5 percent of the assessed valuation may be incurred without electoral approval, while a three-fifths vote in favor of the question is required for approval of any indebtedness above the 1.5 percent level.

Voting requirements.--An election must be held in which 60 percent of qualified electors participating in the election vote in favor of the bond issue. For the bonds to be approved, it is also required that at least 40 percent of the voters from the district participating in the preceding State general election must vote in this election.

Approval and sale of bonds.--The local school board may at any time, within 2 years after date of authorization, sell the school district bond issue. The school board must direct the county treasurer to advertise the bonds for sale. After bids are received, the school board must indicate which bid, if any, was accepted. Bonds are usually sold on a fixed interest basis. The State does not assist in the sale of bonds and has a priori purchase rights. Funds from the sale of bonds not immediately needed may be invested until needed.

Bond records, tax levies, and payments.--The county treasurer is responsible for maintaining the records and making the payments on the bonds.

The maximum tax rate for all school purposes, without a vote, ranges from 5.6 mills to 14.0 mills on true property valuations, depending upon the kind of district. At the time of preparing the annual budget for the ensuing year, the board of directors of a school district is permitted by statute to include therein an amount not in excess of 20 percent of the taxable income of the district as determined on the basis of the maximum district levy specified earlier. The amount so included may be expended for capital outlay or for

Bond records, tax levies, and payments.--continued

debt services as the board of directors may determine. The board of county commissioners is required to levy taxes for debt service in an amount sufficient to meet the annual or semiannual payments of principal and interest on bonds. Such levy may be in excess of the levy, heretofore indicated, which school districts may make without a vote of the electors.

Short-term indebtedness.--School districts may issue interest-bearing warrants in anticipation of receipt of budgeted revenues. Any debt remaining at the close of the school year must be absorbed in the ensuing school year's budget.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budgets are prepared by local school officials on forms provided by the State Department of Public Instruction. They are for the fiscal year July 1 through June 30.

Local approval.--First-class district school boards must file the certified final budget with the county commissioners not later than the first Monday in October. The final determinatio
with the district school board.

Second- and third-class scho
prove budgets for submission to t
later than the first day of Augus
for fixing the amount of the budg

State review or approval.--F
of their budget with the State Di
than the first Monday in October.
a copy of their budget with the S
after which it is approved by the
which would increase the total am
approved by the State Superintend

Provisions for School Audits

Audits are made on all distr
State Auditor. The cost of the a
involved.

nts.--continued

tors may determine. The board of county commis-
r debt service in an amount sufficient to meet
 principal and interest on bonds. Such levy
efore indicated, which school districts may make

ol districts may issue interest-bearing warrants
ed revenues. Any debt remaining at the close
 in the ensuing school year's budget.

GETS AND AUDITS

 are prepared by local school officials on forms
 Public Instruction. They are for the fiscal

istrict school boards must file the certified
ioners not later than the first Monday in

October. The final determination of amounts in the budget rests entirely with the district school board.

Second- and third-class school district officials must prepare and approve budgets for submission to the county budget reviewing committee not later than the first day of August. This committee has the final authority for fixing the amount of the budget.

State review or approval.--First-class school districts must file a copy of their budget with the State Division of Municipal Corporations not later than the first Monday in October. Second- and third-class districts must file a copy of their budget with the State Superintendent of Public Instruction after which it is approved by the county reviewing committee. Amendments which would increase the total amount in the budget of any district must be approved by the State Superintendent of Public Instruction.

Provisions for School Audits

Audits are made on all districts approximately once every 2 years by the State Auditor. The cost of the audit is paid for by the local school district involved.

WEST VIRGINIA

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

WEST VIRGINIA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. William K. Hamilton, Executive Director, West Virginia State Board of School Finance, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 60 percent of the nonfederal receipts and revenues for public elementary and secondary schools, including only State grants and local revenues and receipts, is provided by the State.
2. About 52 percent of the State grant money is provided from sales and cigarette taxes earmarked for the support of the public schools. Except for about .1 of 1 percent, the balance of State support is provided through legislative appropriation.
3. Nearly 46.7 percent of the State grant money is allocated for the support of the foundation program and 49.6 percent is allocated to supplement salary and service allocations in the State Aid Fund.
4. Nine other State distributions provide support for comprehensive educational program development, vocational education, enrollment increases, school lunches, exceptional children, free textbooks, county superintendents' salaries, orphanage aid and safety education. These funds account for the remaining 3.7 percent of the State grants.
5. Foundation program support includes allowances for teachers' salaries, including all professional staff other than superintendents and assistant superintendents, pupil transportation, other current expenses, and general improvement including a public school employees sick leave program. Additional allowances for teachers' salaries and these supporting services are all provided through a Supplemental Instructional Support Allocation and Supporting Services Allocation which, with the Foundation Program Allocation, constitute "The Public School Support Program."
6. Minimum teacher salary allowances for teachers with a bachelor's degree range from $432 to $588 per month; for teachers with a master's degree, from $482 to $674 for an employment term of 9½ months.

LOCAL SUPPORT

1. Approximately 86 percent of the locally derived revenue for public education is from property taxes.
2. The remainder of local school support is obtained principally from nonproperty revenue receipts which include tuition payments, adult education fees, and miscellaneous receipts.
3. Required local support for participation in the State foundation program ranges from 1.96 to 7.84 mills, depending upon the class of property.
4. Maximum regular property tax rates for schools are as follows:
    a. Class I property--current expense, 2.11 mills; permanent improvement, .15 mills; debt service, .035 mills; total, 2.295.
    b. Class II property--current expense, 4.22 mills; permanent improvement, .3 mills; debt service, .07 mills; total, 4.59.
    c. Classes III and IV property--current expense, 8.44 mills; permanent improvement, .6 mills; debt service, .14 mills; total, 9.18.
5. School bonds for capital outlay may be issued to 5 percent of the assessed valuation of the county with rates separate from and in addition to other tax levy rates if 60 percent of those voting in an election on the proposal approve it.
6. Counties may adopt for a period of not more than 5 years a special tax levy of up to 100 percent of the authorized rates for specified operating and/or capital expenditure purposes provided at least 60 percent of those voting at such election vote in favor of such an additional levy.

STATE SUPPORT, 1968-69

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
Total	$113,546,756 (100.0%)	
PUBLIC SCHOOL SUPPORT PROGRAM--Foundation Program Portion. (Current expense, grades 1-12) (Ch. 18, Art. 9A, Code of West Virginia)	$ 53,010,075 (46.7%)	

Teachers' salaries............. Amount per teacher employed based on salary schedule:

Kind of teacher certificate	Basic allow. per month (minimum)	Years to reach maximum (allowed)
First-grade	$165	6
Short-course	175	6
2 yrs.' college	200	8
3 yrs.' college	210	10
Bachelor's degree	260	13
Master's degree	285	16
Doctorate	290	19

$6 per month is added for each allowed year of teaching experience. These amounts, established in 1953, are supplemented by the "State Aid Fund-Supplemental Instructional Support Portion" distribution to finance the current salary schedule. The average above scheduled amount for all employed teachers establishes the average basic salary. One thirtieth of this amount multiplied by the number of weighted pupils produces the salary allowance.

Weighted pupils

Elementary schools of 105 or more pupils.................. 1 weighted pupil per each enrolled pupil.

Secondary schools of 200 or more pupils.................. 1.1868 weighted pupils per each enrolled pupil.

Small schools................. Higher pupil weights to 1.8 for elementary and 1.89 for secondary.

Pupil transportation........... Allowance ranges from $21.95 to $44.05 per pupil depending on transported pupils per mile of bus route one way.

State share.--Calculated amount minus local share. All districts are guaranteed a minimum amount equal to 50 percent of the foundation calculation.

Local share.--Fifty percent of amount of revenue which would be produced from appraisal valuations of non-public utility property by a tax levy of:
1.96 mills on class I property
3.92 mills on class II property
7.84 mills on classes III and IV property
after deducting a 5 percent allowance from the total for losses in collections plus 97.5 percent of the proceeds of such levies for public utilities property assessments.

PUBLIC SCHOOL FINANCE PROGRAM

1968-69

State Funds for the public schools and for program participation

<table>
<tr><th>percent of State funds for school support,
on of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>. . . $113,546,756 (100.0%)</td><td></td><td></td></tr>
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<tr><td>Short-course</td><td>175</td><td>6</td></tr>
<tr><td>2 yrs.' college</td><td>200</td><td>8</td></tr>
<tr><td>3 yrs.' college</td><td>210</td><td>10</td></tr>
<tr><td>Bachelor's degree</td><td>260</td><td>13</td></tr>
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</table>
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Local share.--Fifty percent of amount of revenue which would be produced from appraisal valuations of non-public utility property by a tax levy of:
1.96 mills on class I property
3.92 mills on class II property
7.84 mills on classes III and IV property after deducting a 5 percent allowance from the total for losses in collections plus 97.5 percent of the proceeds of such levies for public utilities property assessments.</td><td rowspan="5">Requirements for participation.--Counties must operate schools and provide pupil transportation to participate in allocations for salaries, pupil transportation, other current expenses and general improvement.

Extent of participation.--All 55 counties. All districts are countywide.

Distribution.--Monthly.</td></tr>
<tr><td>.. 1 weighted pupil per each enrolled pupil.</td></tr>
<tr><td>.. 1.1868 weighted pupils per each enrolled pupil.</td></tr>
<tr><td>.. Higher pupil weights to 1.8 for elementary and 1.89 for secondary.</td></tr>
<tr><td>.. Allowance ranges from $21.95 to $44.05 per pupil depending on transported pupils per mile of bus route one way.</td></tr>
</table>

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements district pe for dis
Other current expense...........	$35 per pupil enrolled for each of the first 1,000 weighted pupils, plus $10 each additional weighted pupil, $15 per pupil in net enrollment, and $5 per weighted pupil.		
General improvement.............	Half of any undistributed remainder in the State Aid Fund is allocated in relation to district-weighted pupils and the balance in relation to net enrollment.		
Public school services for pupils enrolled in nonprofit private schools.................	Pupils enrolled in private schools may attend one or more classes in a public school (so-called shared-time or dual-enrollment) but there is no provision for the apportionment of State Aid.		
PUBLIC SCHOOL SUPPORT PROGRAM-- Supplemental Instructional Support Portion. (Ch. 18, Art. 9A, Code of West Virginia.)	$46,169,067 (40.7%)		Requiremen must opera for whom t is distrib
Teachers' salaries, grades 1-12	Difference between current State basic salaries and State basic salary amounts when foundation program plan became effective.	State share.--100 percent of calculated amount. Local share.--None	Extent of Distributi
PUBLIC SCHOOL SUPPORT PROGRAM-- Supporting Services Portion (Ch. 18, Art. 9A, Sec. 12A, Code of West Virginia) Improvement and procurement of instructional supporting services	$10,066,364 (8.9%)	State share.--100 percent of calculated amount. Local share.--None.	Requiremen must opera Extent of Distributi
Current expense, grades 1-12..	35 percent of difference between current allocation for Supplemental Instructional Support and the allocation for the same purpose in 1964-65 (then $17,408,026). **Half of this allocation is** distributed in relation to district-weighted pupils and half in relation to net enrollment.		
COMPREHENSIVE EDUCATIONAL PROGRAMS FUND (Ch. 18, Art. 2, Sec. 23, Code of West Virginia.)	$ 1,000,000 (.9%)	State share.--100 percent of maximum allocation is prorated in relation to amount available for distribution. Local share.--None.	Requiremen must plan, for the de grams con establishe Education. Extent of Distribut
	Maximum allocation of: $10 per adult or senior high school pupil $7.50 per junior high school pupil $5 per elementary school pupil Actual distribution is based on number of such pupils in approved programs.		

-69--continued

ate Funds for the public schools and for program participation

	rcent of State funds for school support, of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
	$35 per pupil enrolled for each of the first 1,000 weighted pupils, plus $10 each additional weighted pupil, $15 per pupil in net enrollment, and $5 per weighted pupil.		
	Half of any undistributed remainder in the State Aid Fund is allocated in relation to district-weighted pupils and the balance in relation to net enrollment.		
	Pupils enrolled in private schools may attend one or more classes in a public school (so-called shared-time or dual-enrollment) but there is no provision for the apportionment of State Aid.		
rtion.	$46,169,067 (40.7%)		Requirements for participation.--Counties must operate schools and employ teachers for whom this salary-supplement increase is distributed.
	Difference between current State basic salaries and State basic salary amounts when foundation program plan became effective.	State share.--100 percent of calculated amount. Local share.--None	Extent of participation.--All 55 counties. Distribution.--Monthly.
West s	$10,066,364 (8.9%)	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Counties must operate schools. Extent of participation.--All 55 counties. Distribution.--Monthly.
	35 percent of difference between current allocation for Supplemental Instructional Support and the allocation for the same purpose in 1964-65 (then $17,408,026). Half of this allocation is distributed in relation to district-weighted pupils and half in relation to net enrollment.		
	$ 1,000,000 (.9%)	State share.--100 percent of maximum allocation is prorated in relation to amount available for distribution.	Requirements for participation.--Counties must plan, establish, and operate programs for the development of comprehensive programs conforming to standards and criteria established by the West Virginia Board of Education.
	Maximum allocation of: $10 per adult or senior high school pupil $7.50 per junior high school pupil $5 per elementary school pupil Actual distribution is based on number of such pupils in approved programs.	Local share.--None.	Extent of participation.--All 55 counties. Distribution.--By November 1.

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
VOCATIONAL EDUCATION FUND (Ch. 18, Art. 10, Secs. 5 and 8, Code of West Virginia.) $ 1,461,250 (1.3%) Allowable amount of vocational teachers' salaries. Allowable amounts for other approved expenses.	State share.--Percentage of salary amount as State and Federal funds allow 100 percent of allowed amounts for other approve expenses. In addition to State money indicated, Federal funds are provided. Local share.--All costs not covered by reimbursement.
EXCEPTIONAL CHILDREN FUND (educable children 3-21 years of age) (Ch. 18, Art. 20, Code of West Virginia.) $ 569,000 (.5%) Amount expended for: **Salaries and travel for teachers of exceptional and homebound pupils; testing of exceptional children; general classroom equipment and supplies, minor remodeling of structures to meet handicapped pupils' needs.**	State share.--100 percent of calculated amount. Local share.--All additional special cost not covered by this distribution.
SCHOOL LUNCH FUND (supplements salaries of cooks) (Ch. 18, Art. 9, Sec. 6a, Code of West Virginia.) $ 400,000 (.3%) Number of school programs operated the previous year.	State share.--100 percent of calculated amount. Maximum allocation $8.00 per day per school. Local share.--None.
INCREASED ENROLLMENT FUND (Ch. 18, Art. 9A, Sec. 15, Code of West Virginia.) $ 350,000 (.3%) State aid per pupil in the county in the most recent calculation multiplied by the number of pupils of increased enrollment.	State share.--100 percent of calculated amount. Local share.--None.
FREE TEXTBOOK FUND (Ch. 18, Art. 5, Secs. 21, 21a, b, c, d, and e, Code of West Virginia) $ 300,000 (.3%) Amount per pupil in net enrollment for previous year. Used first to purchase books for pupils whose parents cannot afford the purchase. Balance to be used to furnish textbooks for as many other pupils as possible with any remainder for library books and supplemental materials for grades 1-8.	State share.--100 percent of calculated amount. Local share.--None.

PUBLIC SCHOOL FINANCE PROGRAM

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or the public schools and for program participation

ate funds for school support, t allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 1,461,250 (1.3%) amount of vocational teachers' Allowable amounts for other xpenses.	State share.--Percentage of salary amount as State and Federal funds allow 100 percent of allowed amounts for other approved expenses. In addition to State money indicated, Federal funds are provided. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Operate vocational education programs in compliance with State rules, regulations, and standards. Extent of participation.--55 counties. Distribution.--Semiannually.
$ 569,000 (.5%) ended for: **Salaries and trav- chers of exceptional and home- ls; testing of exceptional general classroom equipment es, minor remodeling of struc- et handicapped pupils' needs.**	State share.--100 percent of calculated amount. Local share.--All additional special costs not covered by this distribution.	Requirements for participation.--Teachers and programs for exceptional children must meet State standards. Extent of participation.--51 counties. Distribution.--Annually.
$ 400,000 (.3%) school programs operated the ear.	State share.--100 percent of calculated amount. Maximum allocation $8.00 per day per school. Local share.--None.	Requirements for participation.--Provide school lunch programs which meet State prescribed standards. Extent of participation.--All 55 counties. Distribution.--Monthly.
$ 350,000 (.3%) per pupil in the county in ecent calculation multiplied ber of pupils of increased .	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Net enrollment in county-operated schools at the close of the third school month of the current school year must be larger than such enrollment in previous year used for computation of State aid. Extent of participation.--14 counties. Distribution.--By December 31.
$ 300,000 (.3%) pupil in net enrollment for ear. Used first to purchase pupils whose parents cannot purchase. Balance to be rnish textbooks for as many ls as possible with any re- r library books and supple- erials for grades 1-8.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Operate schools and use allocation for purchase of prescribed materials. Extent of participation.--All 55 counties. Distribution.--Annually.

WEST VIRGINIA

STATE SUPPORT, 1968-69--continued

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and ex district participation for distributing S
COUNTY SUPERINTENDENTS' SALARY FUND (Ch. 3, Art. 9, Sec. 6a, Code of West Virginia.)	$ 61,000 (--)		
	Twenty cents per pupil in ADA the previous year to maximum of $2,000.	State share.--100 percent of calculated amount. Local share.--All salary amounts in excess of State portion.	Requirements for partic superintendents having prescribed by law. Extent of participatio Distribution.--Quarter
ORPHANAGE AID FUND (Ch. 18, Art. 9, Sec. 7, Code of West Virginia.)	$ 25,000 (--)		
	Per pupil expenditure of local tax funds.	State share.--100 percent of calculated amount, prorated in relation to amount available for distribution. Local share.--None.	Requirements for parti pupils from other dist siding in children's h applicant county. Extent of participatio Distribution.--Annuall
SAFETY EDUCATION FUND (Ch. 18, Art. 2, Secs. 17-21, Code of West Virginia)	$ 135,000 (.1%)		
	Number of students completing course multiplied by $10.	State share.--$10 per pupil completing course; in addition Federal funds are provided. Local share.--Remainder of the cost of the program.	Requirements for parti an approved program. Extent of participatio Distribution.--2 semes term.

e public schools and for program participation

unds for school support, owances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 61,000 (--)		
er pupil in ADA the pre- maximum of $2,000.	State share.--100 percent of calculated amount. Local share.--All salary amounts in excess of State portion.	Requirements for participation.--Employ superintendents having qualifications prescribed by law. Extent of participation.--All 55 counties. Distribution.--Quarterly.
$ 25,000 (--)		
nditure of local tax	State share.--100 percent of calculated amount, prorated in relation to amount available for distribution. Local share.--None.	Requirements for participation.--Enroll pupils from other districts in the State residing in children's homes located in the applicant county. Extent of participation.--6 counties. Distribution.--Annually.
$ 135,000 (.1%)		
ents completing course $10.	State share.--$10 per pupil completing course; in addition Federal funds are provided. Local share.--Remainder of the cost of the program.	Requirements for participation.--Operate an approved program. Extent of participation.--54 counties. Distribution.--2 semesters and 1 summer term.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Nonpublic utility property assessments for taxation purposes are made by county assessors who are elected by the people. County commissioners have authority to change property valuations as determined by the assessors. The State Tax Commissioner makes an annual statewide appraisal of property values. Counties in which nonpublic utility assessments fall below 50 percent of the Commissioner's appraised valuations are required to increase assessments to this percentage or transfer sufficient tax rate from the county court to the county school board to assure that the latter will receive in local property taxes an amount equal to the local share required for the Foundation Program.

Officials of the State Board of Public Works, who are elected, establish the assessments on public utility property.

Intermediate districts.--There are no intermediate school districts in West Virginia.

Local districts.--The Constitution provides overall limitations on property tax levies and gives the Legislature power to establish rates for different purposes such as education.

The permanent improvement levy may be transferred for use for current operating expenses or expended or accumulated for building and other permanent improvement projects. In addition to the levy for the permanent improvement fund, unexpended balances from the current expense fund may be transferred to this fund at the end of the fiscal year with the approval of the Board of School Finance. The accumulation in this fund may not exceed 25 percent of the amount of the county's foundation school program. If accumulated for more than 2 years, the proceeds shall be deposited with the State Sinking Fund Commission for investment.

Special Levies: The Constitution also provides that the specific tax rate limitations set by the Legislature for schools can be exceeded to an additional 100 percent of the limits set, when approved by 60 percent of the electors voting. Upon electoral approval, such increases in the tax limits can be levied for a maximum of 5 years, after which they must be submitted again for voter approval. The specific purposes for which these funds may be used are set out in and are part of the proposal upon which the voters act.

Nonproperty revenues include receipts from tuition, activities such as cannery centers, sale of property, insurance recoveries, and miscellaneous sources.

The present Constitution limitations for all county purposes and the statutory millage limitations for county boards of education and other political subdivisions follows:

Purpose of levy	
Total (Constitutional Limitation)	5.
State Current	.
Board of Education	2.
Current operation	2.
Permanent improvement	.
Debt service	.
County Court	1.
Current operation	1.
County debt	.
District debt	.
Municipal	1.
Current operation	1.
Municipal debt	.

Provisions for School Indebtedness

Initiating bond issues.--School bond board. No other school or nonschool au struction.

Limitations on issuance of bonds.--S issued to run for a maximum of 34 years

Limitations on debt.--The Constituti be issued for capital outlay only, to 5 the county, to be serviced by tax rates regular and special levy rates. No Sta debt limit or to approve a higher limit

Voting requirements.--County school of the people. All legal voters are el approved by at least 60 percent of thos which the funds may be used are set out which the voters act.

ility property assessments for taxation
o are elected by the people. County com-
erty valuations as determined by the
akes an annual statewide appraisal of
ublic utility assessments fall below 50
valuations are required to increase
er sufficient tax rate from the county
re that the latter will receive in local
cal share required for the Foundation

lic Works, who are elected, establish
ty.

no intermediate school districts in

provides overall limitations on property
er to establish rates for different pur-

be transferred for use for current operat-
for building and other permanent improve-
for the permanent improvement fund, un-
se fund may be transferred to this fund at
oval of the Board of School Finance. The
25 percent of the amount of the county's
ed for more than 2 years, the proceeds
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lso provides that the specific tax rate
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ts from tuition, activities such as can-
e recoveries, and miscellaneous sources.

s for all county purposes and the statu-
ds of education and other political

Purpose of levy	Maximum millage levies, by class of property			
	I	II	III	IV
Total (Constitutional Limitation)	5.000	10.00	15.00	20.00
State Current	.025	.05	.10	.10
Board of Education	2.295	4.59	9.18	9.18
Current operation	2.110	4.22	8.44	8.44
Permanent improvement	.150	.30	.60	.60
Debt service	.035	.07	.14	.14
County Court	1.430	2.86	5.72	5.72
Current operation	1.190	2.38	4.76	4.76
County debt	.025	.05	.10	.10
District debt	.215	.43	.86	.86
Municipal	1.250	2.50	----	5.00
Current operation	1.100	2.20	----	4.40
Municipal debt	.150	.30	----	.60

Provisions for School Indebtedness

Initiating bond issues.--School bond issues are initiated by the local school board. No other school or nonschool authority may issue bonds for school construction.

Limitations on issuance of bonds.--School bonds must be serial and may be issued to run for a maximum of 34 years.

Limitations on debt.--The Constitution provides that local school bonds may be issued for capital outlay only, to 5 percent of the assessed valuation of the county, to be serviced by tax rates separate from, and in addition to, the regular and special levy rates. No State agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements.--County school bond issues must be submitted to a vote of the people. All legal voters are eligible to vote, and the issue must be approved by at least 60 percent of those voting. The specific purposes for which the funds may be used are set out in and are part of the proposal upon which the voters act.

LOCAL SUPPORT, 1968-69--continued

Approval and sale of bonds.--The Attorney General and the State Tax Commissioner assist the local boards in issuing bonds. Bonds are sold at fixed interest rates and must be offered for sale to the Board of Public Works before being placed on the market. Approval by the Attorney General is required after the bond election. Proceeds from the sale of bonds not immediately needed may be invested with the State Sinking Fund Commission.

Bond records, tax levies, and payments.--The board of Education establishes the levy, which is separate from, and in addition to, the regular and special levy rates, and which must be sufficient to meet the current debt service needs; the sheriff collects the taxes and forwards the money to the State Sinking Fund Commission which retires bonds due and pays interest.

Short-term indebtedness.--There is no provision made for short-term indebtedness.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms are prepared and furnished by the State to all local boards of education. The fiscal year begins July 1 and ends June 30.

Local approval.--School budgets for the subsequent year are tentatively approved prior to March 28 by the local board of education. Budgets must be published 2 weeks prior to adoption. No other local or county authority reviews the budget.

State review or approval.--Copies of the school budget are submitted to the State Board of School Finance between March 28 and the third Tuesday in April. Budgets are approved as submitted or required to be revised to meet State laws and regulations. One copy is retained by the State Board of School Finance, one by the State Tax Commissioner, and the other is returned to the local board for its official adoption not later than the third Tuesday in April.

Provisions for School Audits

Annual audits are required to be made of all school districts. Audits are made by the State Tax Commissioner and the cost is borne by the local school district.

WISCONSIN

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

WISCONSIN PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Alan W. Kingston, Assistant Superintendent, Wisconsin Department of Public Instruction, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 28 percent of the nonfederal revenue for schools, including only State grants and county and local revenue receipts for local school systems, is provided by the State.
2. Ninety-eight and seven-tenths (98.7) percent of the State grant money for the public schools is provided by legislative appropriation, 0.7 percent by chauffeur and driver license fees, and 0.6 percent by earnings from the permanent school fund.
3. Eighty and five-tenths (80.5) percent of the State grants for public schools is apportioned through the Elementary and High School Aid Appropriation. Ninety-five (95) percent of this appropriation guarantees each district a specified financial capacity to support the schools and 5 percent is distributed on a per pupil basis.
4. "Elementary and High School Appropriation--Equalizing Portion" provides for per pupil school support levels of up to $367.50 and $550, respectively, for elementary and union high "basic" districts and $518.50, $663, and $760, respectively, for elementary, 12-grade, and union high "integrated" districts.
5. Per pupil grants from the Elementary and High School Aid Appropriation provide $30 to $58 per pupil depending on the kind of district and grade level.
6. Slightly over 19 percent of the State grants for public school support is allocated through six separate distributions. The purposes supported by these distributions are: (1) pupil transportation, (2) handicapped children, (3) vocational and adult education, (4) library books, (5) driver education, and (6) tuition.

LOCAL SUPPORT

1. Local support from county and local district taxes is provided through property tax levies. There are no county or local district nonproperty taxes authorized for school support.
2. Except for 12-grade districts which must levy at least 5 mills, school districts must levy at least 3 mills on the State equalized valuation of taxable property to participate in the distributions of the Elementary and High School Aid Appropriation.
3. Counties are required to levy a tax which will produce $350 per elementary teacher unit for all elementary and 12-grade districts that have levied the required 3 or 5 mills, respectively, on the State-equalized valuation.
4. County property taxes are limited to 10 mills for all purposes.
5. Local taxes for current operating costs in districts meeting only basic standards are limited to 20 mills for 8-grade districts and 25 mills for 12-grade districts. The limit for districts meeting higher standards is 17 mills. Limits are based on State-equalized valuations.
6. The maximum amount of school district indebtedness is 5 or 10 percent of the equalized valuation, depending on the type of district.
7. Taxes for debt service are in addition to those authorized for current operating costs.

STATE SUPPORT, 1968-69

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance
Total	$169,976,300 (100.0%)	
ELEMENTARY AND HIGH SCHOOL AID APPROPRIATION --Equalizing Portion. (Ch. 402, Laws of 1959, ADM established in 1959) Ch. 261, Laws of 1965 placed Aids on a current Aids basis (Membership as of 3d Friday in September used for computation)	$130,306,264 (76.7%)	
Current expense, grades K-12.....	Amount expended per resident pupil in ADM to: Basic elem. districts $367.50 per pupil Integrated elem. " 518.50 " " Integrated 12-grade " 663.00 " " Basic Union High " 550.00 " " Integrated Union High " 760.00 " " No credit is given for ADM above 25 per teacher.	State share.--State pays a percentage of the local cost up to the specified maximum allowance equal to: $1 - \frac{\text{Local equalized valuation per pupil}}{\text{State guaranteed valuation per pupil}}$ State guaranteed valuations and maximum rates equalized for districts are:
Public school services for pupils enrolled in nonprofit private schools..................	Pupils enrolled in private schools may not be concurrently enrolled in a public school (so-called shared time or dual enrollment) and so are not counted, determining the amount of State aid for which a district may qualify.	

District	Guaranteed valuations	Maximum millage rate
Basic elem.	$24,500	15
Integ. elem.	30,500	17
Integ. 12-grade	39,000	17
Basic Union High	55,000	10
Integ. Union High	76,000	10

Districts which would obtain a greater amount of State money from the flat-grant portion of the Elementary and High School Aid appropriation do not participate in this distribution. The State also pays all net cost for operation beyond a 17-mill levy for integrated districts, a 20-mill levy for other 8-grade districts, and a 25-mill levy for other 12-grade districts.

Local share.--District must levy 3 mills if elementary only, and 5 mills for 12-grade districts. The operating tax levy is determined by dividing the net operating cost per pupil by the guaranteed valuation per pupil.

PUBLIC SCHOOL FINANCE PROGRAM

, 1968-69

te funds for the public schools and for program participation

<table>
<tr><th>cent of State funds for school support,
of district allowances</th><th>State and local shares for support of the calculated State program allowance</th><th>Requirements for and extent of school district participation and schedule for distributing State aid</th></tr>
<tr><td>. $169,976,300 (100.0%)</td><td></td><td></td></tr>
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of 1959,
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for</td><td></td><td></td></tr>
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$$1 - \frac{\text{Local equalized valuation per pupil}}{\text{State guaranteed valuation per pupil}}$$

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Local share.--District must levy 3 mills if elementary only, and 5 mills for 12-grade districts. The operating tax levy is determined by dividing the net operating cost per pupil by the guaranteed valuation per pupil.</td><td>Requirements for participation.--Maintain schools at least 180 days, pay teachers no less than basic salary schedule amounts, grant sick leave, deduct retirement funds for teachers, and meet other requirements. Districts must levy at least 3 mills on the equalized valuation of taxable property except for 12-grade districts which must levy 5 mills.

Extent of participation.--340 school districts.

Distribution.--Annually--April.</td></tr>
</table>

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance
ELEMENTARY AND HIGH SCHOOL AID APPROPRIATION--Flat-Grant Portion (Ch. 402, Laws of 1959) $ 6,525,436 (3.8%)	
Current expense, K-12............ District — Amounts Basic elem. — $30 per pupil in ADM Basic high school — 40 " " " " Integ. elem. — 45 " " " " Integ. high school — 58 " " " "	State share.--100 percent of calculated amount. Local share.--None other than levy-required tax rate.
Public school services for pupils enrolled in nonprofit private schools.................. Pupils enrolled in private schools may not be concurrently enrolled in a public school (**so-called shared time or** dual enrollment) and so are not counted, determining the amount of State aid for which a district may qualify.	
TRANSPORTATION FUND--Flat-Grant Portion. (Sec. 40.56, Ch. 500, Laws of 1949 recorded to Sec. 121.58, Ch. 92 Laws of 1967. Ch. 68 of Laws of 1967 amends Sec. 40.56 (3) to provide for payment of $48 per year for pupils transported who live over 8 miles from the school they attend. $12,730,400 (7.5%)	
2-5 miles from pupils' homes to school: $24 per pupil transported. More than 5 miles but not more than 8 miles from pupils' homes to school: $36 per pupil transported. Over 8 miles from pupils' homes to school: $48 per pupil transported.	State share.--100 percent of calculated amount. Local share.--Balance of cost.
EDUCATION OF HANDICAPPED CHILDREN FUND. (Secs. 20.650 (200) and 41.03, Laws of 1959 recoded to Sec. 115.82, Ch. 92, Laws of 1967.) $ 9,584,500 (5.6%)	
Day schools for: Blind ($95,845) Deaf ($575,070) Physically Handicapped ($670,915) Defective speech ($1,341,830) Classes for: Mentally Handicapped ($5,463,165) Homebound ($95,845) Cost of salaries of qualified teachers, transportation of pupils, special books and equipment, and other items as approved by the State Superintendent of Public Instruction	State share.--Guaranteed 70 percent of cost of approved expenditures, except only half of the amount for homebound children to $200 maximum for any one child in any one year. All physical therapy costs are covered in orthopedic schools, by Federal funds. Local share.--All costs not covered by reimbursement.

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public schools and for program participation

nds for school support, wances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 6,525,436 (3.8%) Amounts $30 per pupil in ADM ol 40 " " " " 45 " " " " ool 58 " " " " in private schools may ntly enrolled in a pub- called **shared time** or) and so are not counted, amount of State aid for may qualify.	State share.--100 percent of calculated amount. Local share.--None other than levy-required tax rate.	Requirements for participation.--Maintain schools at least 180 days, pay teachers no less than basic salary schedule amounts, grant sick leave, deduct retirement funds for teachers, and meet other requirements. Districts must levy at least 3 mills on the equalized valuation of taxable property except for 12-grade districts which must levy 5 mills. Extent of participation--135 school districts. Distribution --Annually in April.
$12,730,400 (7.5%) pupils' homes to school: ransported. es but not more than 8 ls' homes to school: ransported. om pupils' homes to pupil transported.	State share.--100 percent of calculated amount. Local share.--Balance of cost.	Requirements for participation.--Provide transportation for all pupils residing 2 or more miles from school, except in cities where the service is optional other than mandatory. Extent of participation.--490 school districts. Distribution.--December.
$ 9,584,500 (5.6%) of qualified teachers, pupils, special books d other items as approved rintendent of Public	State share.--Guaranteed 70 percent of cost of approved expenditures, except only half of the amount for homebound children to $200 maximum for any one child in any one year. All physical therapy costs are covered in orthopedic schools, by Federal funds. Local share.--All costs not covered by reimbursement.	Requirements for participation.--District must be providing special classes or services for handicapped children in accordance with legal requirements. Extent of participation.--356 school districts. Distribution.--March.

PUBLIC SCHOOL FINANCE PROGRAM

STATE SUPPORT, 1968-69 --continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances		State and local shares for support of the calculated State program allowance	Requirements for and exten district participation an for distributing Stat
EDUCATION OF HANDICAPPED CHILDREN FUND--continued Emotionally Disturbed ($191,690) Psychological Services ($670,915) Social Workers ($383,380) Other ($95,845) Spec. Learn. Disabilities $35,462.65 Spec. Lang. Disorders $ 4,792.25 Coordinators $55,590.10			
VOCATIONAL AND ADULT EDUCATION FUND (Sec. 41.21 (1))	$ 6,858,000 (4.0%) $.15 per student period of 50 minutes or more of actual attendance. 80 percent of instructional salary for courses and programs considered to be full-time at the post-high school level. 100 percent of instructional salary for courses in liberal arts transfer programs considered to be full time at the post high school level. Amount approved for administrative supervisory, and coordination salaries but not to exceed 35 percent of amount expended for program instructional salaries. 80 percent of amount expended for administrative, supervisory, and coordination salaries, or $8,500 for each school not receiving a percentage.	State share.--Amount as calculated. Local share.--All costs not covered by reimbursement.	Requirements for participa maintaining such programs cost of the program, kind number, names, and qualifi teachers employed, and oth as required. Extent of participation.-- Distribution.--September a
TUITION FUND--Children's Homes and children in foster homes and children of parents employed at and residing on State and Federal military camps or Federal Veterans' hospitals (Sec. 40.655 recoded to Sec. 121.79, Laws of 1967)	$1,751,700 (1.0%) Per pupil cost of operation plus a charge for building and equipment costs.	State share.--Calculated amount minus the per pupil amount from Federal, State, and county aids. Local share.--None, but amount received is based on local per-pupil expenditures.	Requirements for particip must enroll children that dren's homes, children in or children of parents emp residing in State or Feder hospitals: Or residing o military camps. Extent of participation.- Distributed.--In April.

PUBLIC SCHOOL FINANCE PROGRAM

58-69 --continued

nds for the public schools and for program participation

of State funds for school support, strict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
ntinued		
$ 6,858,000 (4.0%)		
per student period of 50 minutes ore of actual attendance. 80 per- of instructional salary for cours- and programs considered to be full- at the post-high school level. percent of instructional salary for ses in liberal arts transfer pro- s considered to be full time at the high school level. Amount approved administrative supervisory, and co- nation salaries but not to exceed ercent of amount expended for pro- instructional salaries. 80 per- of amount expended for administra- , supervisory, and coordination ries, or $8,500 for each school not iving a percentage. $1,751,700 (1.0%)	State share.--Amount as calculated. Local share.--All costs not covered by reimbursement.	Requirements for participation.--Districts maintaining such programs must report the cost of the program, kind of courses, the number, names, and qualifications of the teachers employed, and other information as required. Extent of participation.--63 schools. Distribution.--September and October.
pupil cost of operation plus a ge for building and equipment costs.	State share.--Calculated amount minus the per pupil amount from Federal, State, and county aids. Local share.--None, but amount received is based on local per-pupil expenditures.	Requirements for participation.--District must enroll children that reside in children's homes, children in foster homes, or children of parents employed at and residing in State or Federal Veterans' hospitals: Or residing on State or Federal military camps. Extent of participation.--339 districts. Distributed.--In April.

STATE SUPPORT, 1968-69-- continued

Provisions for the distribution of State funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Rec di
DRIVER EDUCATION FUND (Sec. 40.71 (12) recoded to Sec. 121.16, Laws of 1967) $ 1,270,000 (0.7%) $25 per pupil successfully completing the driver education course.	State share.--100 percent of calculated amount. Local share.--All costs not covered by thi distribution.	Rec mus sta Ext dis Di
COMMON SCHOOL FUND (Secs. 2 and 5 of Art. X, State Constitution.) (About half of this distribution is used to purchase library books) $ 950,000 (0.6%) Amount per school-census child, 4-19 years of age, inclusive.	State share.--100 percent of calculated amount. Local share.--None.	Re ann 4-1 a p Ext tri Dis
TRANSPORTATION FUND--Equalizing Portion. (Sec. 20.650 (12).) $ - 0 - (-- %) Approved expense of transportation.	State share.--Amount of approved expense minus: Local share, Receipts from Transportation fund, Flat-Grant Portion. Local share.--2-mill levy on the equalized valuation of taxable property.	Req tra or whe man Ext Dist
STATE LOAN FUND--New and rehabilitation construction, school buses, refund indebtedness. $4,000,000 (Approx. each year) Amount of approved loan.	State share.--100 percent of approved amount. Total loans outstanding as of April 30, 1968 was $39,267,576.51. Approximately $4,000,000 is available each year. This i variable. At present there is a 2-year backlog of applications. Local share.--Local districts repay the loan, and 4.5 percent interest by collections through the tax roll as a State charge through the county clerks and town and village treasurers involved.	Requ must have cent erty or Exte imat many orga date

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ORT, 1968-69-- continued

State funds for the public schools and for program participation

ercent of State funds for school support, n of district allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
$ 1,270,000 (0.7%) $25 per pupil successfully completing the driver education course.	State share.--100 percent of calculated amount. Local share.--All costs not covered by this distribution.	Requirements for participation.--Courses must be approved and comply with State standards. Extent of participation.--362 school districts. Distribution.--In March.
$ 950,000 (0.6%) Amount per school-census child, 4-19 years of age, inclusive.	State share.--100 percent of calculated amount. Local share.--None.	Requirements for participation.--Take an annual school census of all children 4-19 years of age, inclusive, and operate a public school. Extent of participation.--470 school districts. Distribution.--In January.
$ - 0 - (-- %) Approved expense of transportation.	State share.--Amount of approved expense minus: Local share, Receipts from Transportation fund, Flat-Grant Portion. Local share.--2-mill levy on the equalized valuation of taxable property.	Requirements for participation.--Provide transportation for all pupils residing 2 or more miles from school except in cities where the service is optional rather than mandatory. Extent of participation.--None for 1968-69. Distribution.--Usually in March.
ion [illegible],000,000 (Approx. each year) Amount of approved loan.	State share.--100 percent of approved amount. Total loans outstanding as of April 30, 1968 was $39,267,576.51. Approximately $4,000,000 is available each year. This is variable. At present there is a 2-year backlog of applications. Local share.--Local districts repay the loan, and 4.5 percent interest by collections through the tax roll as a State charge through the county clerks and town and village treasurers involved.	Requirements for participation.--Districts must obtain approval of their applications, have an outstanding debt of less than 5 percent of the equalized value of taxable property for common elementary school districts, or 10 percent for other districts. Extent of participation.--There are approximately 1,300 outstanding loans; however, many districts have more than one loan. Reorganization of school districts has consolidated many of the loans.

LOCAL SUPPORT, 1968-69

Provisions for Raising School Revenue

Property assessments.--Property valuations for taxation purposes are established by local assessors who are generally elected but are appointed in some cities. The State Department of Taxation conducts assessment ratio studies to determine variations in the level of assessment among the State taxing districts which are used for apportioning taxes in districts lying in more than one municipality, for apportioning school equalization aid, and to alter the effect of tax-rate limits on tax productivity and debt limits on local borrowing power. The county board equalizes valuations for county tax purposes but most counties now use the State-equalized valuations. County taxes and taxes of school districts lying in more than one municipality are levied on the local assessed valuation and apportioned on the equalized valuation.

Intermediate districts.--Counties are required to levy a tax sufficient to produce $350 per elementary teacher unit for elementary and 12-grade districts that have levied at least 3 mills or 5 mills, respectively, on the State-equalized valuation. The county tax levy is limited to 10 mills for all county purposes including schools.

Local districts.--Local school district taxes for current operation based on State-equalized valuations are limited to 20 mills in 8-grade districts and 25 mills in 12-grade districts if only basic standards are met. The limit for districts meeting higher standards is 17 mills. All net cost for current operation beyond these limits are paid by the State. The amount of such payments in 1967-68 was slightly over $1,040,144. Also, all net costs for transportation in excess of the amount from a 2-mill tax are paid by the State. This amounted to **naught** in 1967-68. Additional levies may be made in all classes of districts for capital outlay and debt service. These limits are the same, with or without vote. No nonproperty tax sources are available to the schools.

Provisions for School Indebtedness

Initiating bond issues.--Proposals to issue bonds are initiated by school boards or at annual meetings in common school districts, and must be approved by city councils in 45 city districts.

Limitations on issuance of bonds.--Bonds may be either serial or term. District boards may borrow for periods up to 10 years on their own motion. Bonds must be retired within 20 years.

Limitations on bonds.--In common school elementary districts, bonds may be issued for capital outlay purposes up to 5 percent of the equalized valuation and up to 10 percent in any school district offering no less than grades 1-12 and which is eligible for the highest level of school aids. In city districts the amount of bonds for all purposes, including school bonds, is limited to 10 percent of the equalized valuation. These limits are contained in the Constitution. No State agency can fix the debt limit or approve a higher limit in special cases.

Voting requirements.--In common and unified sch
bond issues must be approved by majority of the qual
pate in a special election held for that purpose. C
are only subject to the approval of the council of

Approval and sale of bonds.--When school bonds
thorized and voted pursuant to statutory proceeding
required. Bonds are usually sold on a fixed intere
not assist with the sale of bonds and it is not nec
offered to a State agency. Funds from sales of bon
may be invested.

Bond records, tax levies, and payments.--Befor
irrepealable special levy for debt service must be
necessary to meet the full obligation. This levy i
on levies for current operation. School bond recor
common and unified school districts and by the city
districts.

Short-term indebtedness.--Boards of education
of anticipated revenues for current expenditures.
during the fiscal year. Sometimes they are repaid
short-term loan, or they may be connected to long-t
trict meeting action.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budgets are prepared by
The school fiscal year begins on July 1 and ends o
city districts must budget for the calendar year a
on a January 1 to December 31 fiscal year.

Local approval.--In rural districts, these bu
final approval at the annual school meeting and do
by the municipality. In the 45 city districts, th
and approved by the city council. Local school bo
be taken by the fourth Monday in July in common sc
second Monday in November for city school district
or posted before adoption.

ions for taxation purposes are estab-
ly elected but are appointed in some
conducts assessment ratio studies to
ssment among the State taxing districts
districts lying in more than one munic-
tion aid, and to alter the effect of
ebt limits on local borrowing power.
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ct offering no less than grades 1-12
vel of school aids. In city districts
luding school bonds, is limited to 10
se limits are contained in the Consti-
limit or approve a higher limit in

Voting requirements.--In common and unified school districts, all school bond issues must be approved by majority of the qualified electors who participate in a special election held for that purpose. City district bond issues are only subject to the approval of the council or referendum.

Approval and sale of bonds.--When school bonds have been properly authorized and voted pursuant to statutory proceedings, no State approval is required. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds and it is not necessary that they first be offered to a State agency. Funds from sales of bonds not immediately needed may be invested.

Bond records, tax levies, and payments.--Before bonds can be issued, an irrepealable special levy for debt service must be authorized to the extent necessary to meet the full obligation. This levy is in excess of limitations on levies for current operation. School bond records are kept by the board of common and unified school districts and by the city officials in city school districts.

Short-term indebtedness.--Boards of education may borrow up to 50 percent of anticipated revenues for current expenditures. These loans must be repaid during the fiscal year. Sometimes they are repaid by negotiating another short-term loan, or they may be connected to long-term debt by board or district meeting action.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--School budgets are prepared by local school officials. The school fiscal year begins on July 1 and ends on June 30; however, the 45 city districts must budget for the calendar year also because cities operate on a January 1 to December 31 fiscal year.

Local approval.--In rural districts, these budgets are reviewed and given final approval at the annual school meeting and do not require further approval by the municipality. In the 45 city districts, the budgets must be reviewed and approved by the city council. Local school board action on budgets must be taken by the fourth Monday in July in common school districts, and by the second Monday in November for city school districts. Budgets must be published or posted before adoption.

Provisions for School Budgets--continued

State review or approval.--The State Superintendent of Public Instruction is required to approve budgets of districts in which State aids exceed 50 percent of total receipts of the districts and where excess State aid is required because of the 17-, 20-, or 25-mill tax limitation. In districts that must file a budget, the prescribed date of filing is July 1. Otherwise, no budget information must be filed with the State except for purposes of making an estimated payment of State-supported funds on a current basis to districts which have had alterations in their boundaries in the current school year.

Provisions for School Audits

In common school districts and high school districts, school audits are made once a year by a special auditing committee or by a State or private auditor. In city districts, the annual school audit is made by city, private, or State auditors.

Sec. 120.14 provides that in a common or union high school district: (1) At the close of each fiscal year, the school board of each school district shall authorize an audit of the school district accounts pursuant to sub.(2) or employ a licensed accountant to audit the school district accounts and certify the audit. The cost of the audit shall be paid from school district funds.

(2) The school board may request the Department of Administration in accordance with s. 16.58 (4) to audit the school district accounts and advise and make recommendations concerning existing systems of accounts.

(3) The annual meeting may authorize and direct an audit of the school district accounts either by a licensed accountant or by the Department of Administration.

WYOMING

PUBLIC SCHOOL FINANCE PROGRAM, 1966-67

WYOMING PUBLIC SCHOOL FINANCE PROGRAM, 1966-67, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Sidney C. Werner, Assistant Superintendent of Business and Finance, Wyoming State Department of Education, served as the State authority for preparation and review of this leaflet.

Selected Program Facts

STATE SUPPORT

1. Approximately 41 percent of the non-Federal revenue for public elementary and secondary schools, including only State, county, and local revenue receipts, is provided by the State.

2. Earmarked State taxes for school support, which account for about 79 percent of the money available for distribution, are derived principally from oil royalty income, a 6-mill State property tax, and a tax on motor vehicles. Also, 17 percent is endowment income from the Common School Land Income Fund and 4.93 percent is from legislative appropriation.

3. Approximately 83 percent of the State money for local school systems is apportioned under the foundation program formula.

4. The School Foundation Program Fund provides a support level of $6,800 per classroom unit for school operating costs plus additional amounts for transportation and transportation capital outlay, vocational education, kindergartens, and the instruction of retarded children.

5. About 17 percent of the State funds distributed to local school systems is allotted for general school purposes on the basis of $33.97 per census child, 6 to 21 years of age, inclusive.

6. State loans for school construction are provided through the Emergency School Construction Assistance Fund.

LOCAL SUPPORT

1. Local and county revenue for public elementary and secondary schools obtained from property taxes account for about 88 percent of the local revenue receipts. The remaining 12 percent is from other sources, such as poll taxes, fines and forfeitures, motor vehicle fees, and the forest reserve fund.

2. Full participation in the School Foundation Program Fund requires a 9-mill tax rate for K-12 districts; 6 mills for elementary districts supporting a high school; 3 mills for special high school districts; and 9 mills for elementary districts not supporting a high school.

3. Current expense tax levies for grades K-12 based on county assessed valuations of taxable property are limited to 25 mills without electoral approval and 30 mills with voter approval.

4. Counties may levy a tax on the county valuation of taxable property to produce $300 per teacher and $300 to $450 per bus driver, but the rate may not exceed 3 mills.

5. A Special Building Fund, authorized for a period of years by electoral approval, may not exceed 4 percent of the district's assessed valuation.

6. Total bonded indebtedness and the amount authorized for the Special Building Fund may not exceed 6 percent of the county assessed valuation for either elementary or secondary grades or 10 percent in total for grades K-12.

STATE SUPPORT, 1966-67

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances				State and local shares for support of the calculated State program allowance
TOTAL.	(1965-66) (Est. 1966-67)	$20,667,441 $21,700,000	(100.0%)	
SCHOOL FOUNDATION PROGRAM FUND (Ch. 119, Laws of 1955, as amended. Ch. 67, SLW, 1959, Sec. 1, Ch. 192, SLW, 1961, Sec. 1, Ch. 72, SLW, 1963, Ch. 190, SLW 1965.)	(1965-66) (Est. 1966-67)	$17,133,822 $18,000,000	(82.9%)	

Current expense..................	$6,800 per classroom unit.
Elementary, grades 1-8.........	1 unit for each 25 pupils in ADM for schools with 200 or more pupils.
Secondary, grades 9-12.........	1 unit for each 25 pupils in ADM for schools with 300 or more ADM.
Small schools..................	

Grades 1-8			Grades 9-12		
ADM	Divisor	Minimum units	ADM	Divisor	Minimum units
Under 25	10	1.00	Under 25	10	1.00
25-44	15	2.40	25-59	12	2.40
45-89	18	2.93	60-109	15	4.91
90-139	20	4.94	110-169	18	7.27
140-199	23	6.95	170-239	21	9.36
200 or more	25	8.65	240-299	23	11.38
			300 or more	25	13.00

Increased or decreased attendance....................	Allowable classroom units are recalculated on current ADM basis if ADM is 100 or 10 percent greater than the previous year's ADM. A decrease of 10 percent is never calculated unless a district has an increase and decrease, then both computations are made. If the district is to receive more money by recalculation, the additional is allowed. If less, the same amount due the district before the computations is allowed.
Vocational education...........	1 unit per full-time vocational education teacher. Full-time teachers must teach 5 hours daily, with endorsements in the subjects taught.
Administration.................	1/8 unit for each elementary, secondary, vocational and retarded unit.
Kindergarten...................	1 unit for each 37.5 full-time kindergarten ADM or each 75 half-time ADM.
Retarded children..............	1 unit for each class of 10 retarded or 8 trainable children.

State and local shares for support of the calculated State program allowance:

State share--Total cost of minimum program, minus local district resources.

Local share--Standard tax rates based on local assessed valuations:
K-12 districts, 9 mills
1-8 districts not in a high school district, 9 mills
1-8 districts in a high school district, 6 mills
9-12 districts, 3 mills

PUBLIC SCHOOL FINANCE PROGRAM

SUPPORT, 1966-67

ion of State Funds for the public schools and for program participation

t, and percent of State funds for school support, lculation of district allowances

. . . (1965-66) $20,667,441 (100.0%)
(Est. 1966-67) $21,700,000

ND (Ch. 119, (1965-66) $17,133,822 (82.9%)
. 67, SLW, (Est. 1966-67) $18,000,000
1961, Sec.
0, SLW 1965.)

.... $6,800 per classroom unit.

.... 1 unit for each 25 pupils in ADM for schools with 200 or more pupils.

.... 1 unit for each 25 pupils in ADM for schools with 300 or more ADM.

....

Grades 1-8			Grades 9-12		
ADM	Divisor	Minimum units	ADM	Divisor	Minimum units
Under 25	10	1.00	Under 25	10	1.00
25-44	15	2.40	25-59	12	2.40
45-89	18	2.93	60-109	15	4.91
90-139	20	4.94	110-169	18	7.27
140-199	23	6.95	170-239	21	9.36
200 or more	25	8.65	240-299	23	11.38
			300 or more	25	13.00

.... Allowable classroom units are recalculated on current ADM basis if ADM is 100 or 10 percent greater than the previous year's ADM. A decrease of 10 percent is never calculated unless a district has an increase and decrease, then both computations are made. If the district is to receive more money by recalculation, the additional is allowed. If less, the same amount due the district before the computations is allowed.

.... 1 unit per full-time vocational education teacher. Full-time teachers must teach 5 hours daily, with endorsements in the subjects taught.

.... 1/8 unit for each elementary, secondary, vocational and retarded unit.

.... 1 unit for each 37.5 full-time kindergarten ADM or each 75 half-time ADM.

.... 1 unit for each class of 10 retarded or 8 trainable children.

State and local shares for support of the calculated State program allowance

State share--Total cost of minimum program, minus local district resources.

Local share--Standard tax rates based on local assessed valuations:
K-12 districts, 9 mills
1-8 districts not in a high school district, 9 mills
1-8 districts in a high school district, 6 mills
9-12 districts, 3 mills

Requirements for and extent of school district participation and schedule for distributing State aid

Requirements for participation--Meet all requirements set forth by law and levy required tax rates.

Extent of participation--153 school districts.

Distributed-- August 15, September 15, February 15, March 15, April 15, and May 15.

WYOMING

STATE SUPPORT, 1966-67--Continued.

Provisions for the distribution of State Funds for the public schools and for program participation

Name, legal citation, amount, and percent of State funds for school support, and calculation of district allowances	State and local shares for support of the calculated State program allowance	Requirements for an district participa for distributi
SCHOOL FOUNDATION PROGRAM FUND- Continued		
Pupil transportation........... 3/4 of bus operation and maintenance cost credit to the Foundation Program cost.		
Isolation...................... 3/4 cost of isolation payments credit to the Foundation Program cost.		
Homebound children............. 3/4 cost of homebound payments credit to the Foundation Program cost.		
Tuition........................ Cost of tuition, except tuition for high school students in elementary districts not supporting a high school, then only the amount in excess of 5 mills, times the valuation for the year the obligation was incurred.		
COMMON SCHOOL LAND INCOME FUND (Nonrestricted, grades K-12) (Sec. 2, Art. VII, Constitution.) (1965-66) $ 3,553,619 (17.1%) (Est. 1966-67) $ 3,700,000 (____)		
Nonrestricted, grades K-12..... Proportion of State children 6-21 years of age, inclusive, in district. ($33.97 per census child for 1965-66.)	State share--100 percent of calculated amount. Local share--None.	Requirements for p report an annual s children 6-21 year Extent of particip tricts. Distributed--Septe
LOAN FUND		
EMERGENCY SCHOOL CONSTRUCTION ASSISTANCE FUND (Ch. 95, Acts of the 1957 Wyoming Legislature.)		
Emergency School Construction Assistance..................... State Farm Loan Board approves or disapproves loans and may issue bonds. Cost of approved facilities.	State share--State has appropriated $2,000,000 for loans. Cost of approved facilities, minus amount that can be provided locally. Local share--Amount obtainable for having borrowed up to 95 percent of maximum, sometime during the past 3 years.	Requirements for p bonded indebtednes limit at time of c date of applicatic School building em cial capacity of t Administered by St consisting of Gove Commissioners. Extent of partici tricts.

-67--Continued.

unds for the public schools and for program participation

of State funds for school support, istrict allowances	State and local shares for support of the calculated State program allowance	Requirements for and extent of school district participation and schedule for distributing State aid
f bus operation and maintenance credit to the Foundation Program ost of isolation payments credit to oundation Program cost. ost of homebound payments credit to oundation Program cost. of tuition, except tuition for high l students in elementary districts supporting a high school, then only mount in excess of 5 mills, times the ation for the year the obligation was rred. (1965-66) $ 3,553,619 (17.1%) t. 1966-67) $ 3,700,000 ( )		
rtion of State children 6-21 years ge, inclusive, in district. ($33.97 ensus child for 1965-66.)	State share--100 percent of calculated amount. Local share--None.	Requirements for participation--Take and report an annual school census of all children 6-21 years of age, inclusive. Extent of participation--193 school districts. Distributed--September 30 and March 31.
FUND ture.) e Farm Loan Board approves or disapes loans and may issue bonds. of approved facilities.	State share--State has appropriated $2,000,000 for loans. Cost of approved facilities, minus amount that can be provided locally. Local share--Amount obtainable for having borrowed up to 95 percent of maximum, sometime during the past 3 years.	Requirements for participation--District bonded indebtedness of 95 percent of limit at time of or within 3 years of date of application. School building emergency beyond financial capacity of the district must exist. Administered by State Farm Loan Board consisting of Governor and State Land Commissioners. Extent of participation--9 school districts.

LOCAL SUPPORT, 1966-67

Provisions for Raising School Revenue

Property assessments.--County assessors, elected by popular vote, set the valuation to be placed upon property for taxation purposes. The county board of equalization can designate changes and corrections to be made by the county assessor before the assessment roll is sent to the State Board of Equalization. The State Board of Equalization is empowered to review the valuations placed upon property by the various assessors and may revalue the property to bring figures into uniformity over the State. In addition, the State Board of Equalization conducts an annual assessor's school and employs two appraisers, who provide expert assistance to county assessors in the appraisal of industrial property. Most of the State's industrial property has been assessed in this program.

The 1955 State Legislature provided for real and personal property to be assessed at "fair value" in conformity with values and procedures prescribed by the State Board of Equalization rather than "true value." Although the State's statutory assessment standard is fair value, a level of 25 to 30 percent of true value is the current practice. The State has power to order reappraisals but none have been issued to date.

Intermediate districts.--Intermediate districts in the State are counties. These districts are empowered to levy a 3-mill property tax on the county-assessed valuation, but not to exceed $300 per teacher, and $300 to $450 per bus driver, depending upon the bus route. There is no provision whereby this levy may be increased. Intermediate districts have no revenue source other than property taxes. Proceeds from the 3-mill tax levy are for current operating expenses.

Local districts.--Statutory limitations on the tax millage, according to types of educational program, are as follows:

Type of school district	Maximum levy without voter approval (mills)	Maximum levy with voter approval (mills)
K-12	25	30
1-8	16	19
9-12	9	11

Levies necessary for debt service are outside these limitations.

Upon a vote of the school patrons, the board of trustees may establish a Special Building Fund not to exceed 4 percent of the local assessed valuation of the district and may authorize a tax for this fund for a period of years. The total bonding and building fund limitation may not exceed 10 percent of the assessed valuation. There is no limit to the tax rate for this purpose.

Local revenue from sources other than property taxes include grazing permits, fines, fees, poll taxes, and forest permits. (Motor vehicle--not included in property tax.)

Provisions for School Indebtedness

Initiating bond issues.--Local boards of education must initiate all bond issues. The bonds are issued by and become an obligation of the local district.

Limitations on issuance o
pelled to issue serial bonds.
bonds and 30 years for refundi

Limitations on debt.--The
vided by statute, is 10 percen
trict. The bond limitations f
1-8, 6 percent; a unified dist
patrons have sole authority to
tricts are bonding on the same
cent nor may the total debt of

Voting requirements.--No
people. Local school trustees
this purpose. Separate ballot
are required. The bond propos
be authorized.

Approval and sale of bond
required and the State does no
Bond sales are under the juris
has no a priori rights to purc
order to help obtain improved
erence in that the school trus
newspaper of general circulati
Funds from the sale of bonds n
may be invested until needed.

Bond records, tax levies,
county treasurer are responsib
sufficient funds are on hand t
levies to retire bonds and pay
authorized for the purpose of

Short-term indebtedness.-
"No debt in excess of the taxe
created by any county or subdi
any subdivision thereof in the
create such a debt shall have
by them approved." The statut
constitutional limitation shal
responsible for such debt.

Provisions for School Budgets

Budget forms.--Budget for
the State Department of Educat
by the State Examiner. The fi
and ends June 30.

SUPPORT, 1966-67

Revenue

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rest permits (Motor vehicle--not included in

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y and become an obligation of the local district.

Limitations on issuance of bonds.--School districts may but are not compelled to issue serial bonds. Bonds may be issued to run 25 years for coupon bonds and 30 years for refunding bonds.

Limitations on debt.--The legal limit for bonded debt in Wyoming, as provided by statute, is 10 percent of the assessed valuation of the school district. The bond limitations for the various districts are: elementary, grades 1-8, 6 percent; a unified district, grades K-12, 10 percent. Local school patrons have sole authority to call for a vote on bond issues. When two districts are bonding on the same valuation, neither district may exceed 6 percent nor may the total debt of either district exceed 10 percent.

Voting requirements.--No bonded debt may be created except by vote of the people. Local school trustees submit the bond proposal at an election held for this purpose. Separate ballot boxes for property owners and nonproperty owners are required. The bond proposal must win approval of both types of voters to be authorized.

Approval and sale of bonds.--State approval of local bond issues is not required and the State does not give assistance with the sale of local bonds. Bond sales are under the jurisdiction of the local school board. The State has no a priori rights to purchase local bonds but bids on all bond issues in order to help obtain improved interest rates. No group or body is given preference in that the school trustees are simply required to "give notice in some newspaper of general circulation...that said school trustees will sell bonds." Funds from the sale of bonds not immediately required for building purposes may be invested until needed.

Bond records, tax levies, and payments.--County commissioners and the county treasurer are responsible for maintaining bond records and seeing that sufficient funds are on hand to retire bonds and pay the interest due. Tax levies to retire bonds and pay interest on the bonds are over and above those authorized for the purpose of raising funds for current operating expenses.

Short-term indebtedness.--The Constitution of the State of Wyoming provides: "No debt in excess of the taxes for the current year shall, in any manner, be created by any county or subdivision thereof, or any city, town, or village, or any subdivision thereof in the State of Wyoming, unless the proposition to create such a debt shall have been submitted to a vote of the people thereof and by them approved." The statutes provide that any indebtedness in excess of the constitutional limitation shall be void and makes the individual board members responsible for such debt.

BUDGETS AND AUDITS

Provisions for School Budgets

Budget forms.--Budget forms for common school districts are provided by the State Department of Education, but for first-class districts are prescribed by the State Examiner. The fiscal year for all school districts begins July 1 and ends June 30.

Provisions for School Budgets --Continued

Local approval.--Each local district has final authority in approving its budget, which must be adopted by the school patrons at the annual school meeting held the fourth Tuesday in July. Notice of the annual meeting must be posted 30 days prior to this date. First-class districts must publish their budget once in a daily or weekly newspaper having general circulation in the county in which the district is located on or after July 14, and are required by statute to hold a hearing the fourth Wednesday in July, at 8 p.m., at some designated place. Final budget adoption must be the day following the hearing.

State review or approval.--There is no provision f
State agency and school districts are not required to f
get with the State. However, the State Department of E
a copy for reference.

Provisions for School Audits

The Office of the State Examiner is required to ma
the accounts of all school districts by statute.

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14, and are required by statute to hold a
, at 8 p.m., at some designated place. Final
owing the hearing.

State review or approval.--There is no provision for budget review by a State agency and school districts are not required to file a copy of the budget with the State. However, the State Department of Education does request a copy for reference.

Provisions for School Audits

The Office of the State Examiner is required to make an annual audit of the accounts of all school districts by statute.

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AMERICAN SAMOA
PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

AMERICAN SAMOA PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. Albert M. Lampe, Assistant Director of Education for Administration, American Samoa Department of Education, served as the local authority for preparation and review of this leaflet.

Selected Program Facts

1. American Samoa provides and supports one centrally operated school system. There are no other taxing political subdivisions in American Samoa.

2. All budget forms are prescribed by the Government for the total program of education. The fiscal year begins July 1 and ends June 30. The Director of Education is responsible for the formulation of the school budget which is presented to the Government's Budget Director who modifies or approves it. When the budget is approved by this official, it is sent to the Governor for confirmation.

3. All tax funds are placed in a general fund.

4. There is only one form of tax (as distinguished from customs duties, auto licenses, etc.) imposed by the Government of American Samoa. This is an income tax, essentially the same (including rates) as the United States income tax. The only significant difference between the Samoan and the U.S. income tax is that under the Samoan tax law, the minimum tax to be paid by an individual is 2 percent of his adjusted gross income, regardless of the number of exemptions or amount of deductions. The corporate tax is the same as that of the U.S.A.

5. There are no laws or regulations which would authorize the issuance of school bonds.

6. Budget accounting is centralized in the government office of the budget where it is under constant observation by the audit officer.

CANAL ZONE

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

CANAL ZONE PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. John S. Pettingill, Assistant to Superintendent, Canal Zone Division of Schools, served as the local authority for preparation and review of this leaflet.

Selected Program Facts

1. The Canal Zone provides and supports one centrally operated school system. All appropriations of funds for education are made by Congress on the basis of the budget approved for the schools.

2. Appropriations are made by Congress to the Canal Zone Government for the support of the Canal Zone schools. However, the full cost, including plant depreciation, is repaid to the U.S. Treasury from the following sources: (1) appropriated funds of Federal agencies operating on the Isthmus, other than the Canal Zone Government or the Panama Canal Company, to cover the cost of schooling for children of the employees of such agencies; (2) tuition collected from parents not employed by the Federal Government and tuition collected from junior college students; and (3) revenues of the Panama Canal Company for the remainder due the Federal Government.

3. There is no authorization for the creation of school indebtedness.

4. Budget forms are prescribed by the Bureau of the Budget for the fiscal year which begins on July 1 and ends on June 30.

5. Budget estimates are prepared by the Superintendent of Schools and presented to the Governor of the Canal Zone.

6. School budgets are reviewed by the Governor and combined with estimates for other civil government functions to form a budget request for the Canal Zone Government. After the customary review by the Bureau of the Budget, the estimates are incorporated in the President's annual budget submitted to the Congress of the United States for inclusion in the appropriation bill.

7. The Canal Zone Government accounts are audited by the internal audit staff of the Panama Canal Company and the Controller General of the United States.

GUAM

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

GUAM PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on public support for local school services. Richard G. Tennessen, Superintendent of Schools, Guam Department of Education, served as the local authority for preparation and review of this leaflet.

Selected Program Facts

1. The Territory of Guam has one public school system which is for the entire territory. It is administered by the Director of Education who is equivalent to a State Commissioner of Education. All of the money is received directly from appropriations from the territorial legislature. All operating expenses and capital outlay are on a pay-as-you-go basis.

2. The one public school system in the Territory prepares its own budget in a form agreed upon with the Budget Department of the Territory. The fiscal year begins on July 1 and ends on June 30.

3. The school budget is prepared by the Director of Education with the approval of the Board of Education.

4. The budget for the schools is filed with the Governor in the fall of each year in time to be presented to the legislature, which meets twice a year for one month each session. This operating budget is normally acted upon in January and the capital improvement in June. A budget reviewing board, appointed by the Governor, makes recommendations on the budget, and when approved by the Governor, it is then presented to the legislature.

5. Property taxes are not assessed specifically for school purposes, but are for all governmental services and are apportioned by the legislature.

6. There are no laws or regulations which authorize the issuance of all school bonds.

7. Books of the fiscal operations of the Territory are kept by the Department of Finance; however, the Department of Education keeps its own records in addition to those of the Department of Finance. The audit section of the Department of Finance makes periodic audits of the fiscal operations of all departments. In addition, a yearly audit of all records by an independent auditing agency is provided.

8. There is no State aid as normally defined in the States. There are no tuition charges for the public school system as such.

9. Non-public school pupils participate without charge in the regular school bus transportation program. In addition to this, non-public schools are loaned, without charge, textbooks to be used in their classes.

PUERTO RICO

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

PUERTO RICO PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on the Commonwealth support for local school services. Irma de Vazquez Frost, Director, Budget Division, Puerto Rico Department of Education, served as the Commonwealth authority for preparation and review of this leaflet.

COMMONWEALTH SUPPORT

	TOTALS	STATE FUNDS	FEDERAL FUNDS
TOTALS	$204,473,131	$164,759,460	$39,713,671
1. Payments for personal services and general expenses (others than those included in the items below)	$125,042,750	$111,446,475	$13,596,275
2. School lunch program	17,664,041	13,343,300	1/4,320,741
3. Capital outlay 2/	15,777,500	11,277,500	4,500,000
4. Vocational and technical education (including transportation to regional vocational schools)	22,109,100	13,685,900	3/8,423,200
5. Pupil transportation services	3,210,000	3,000,000	210,000
6. Free textbooks and periodicals	3,616,980	2,763,700	853,280
7. Adult education	1,672,400	1,097,400	575,000
8. Educational radio and television	1,562,400	1,557,400	5,000
9. Community action:			
a. Adult education in Civil Defense	100,000	--	100,000
b. Community development program	2,026,700	1,179,900	846,800
10. Veterans education (vocational and technical)	320,000	320,000	--
11. Scholarships for talented pupils	900,000	900,000	--

1/ This appropriation is supplemented by a donation of food from the U.S. Department of Agriculture.
2/ For the acquisition of land, plans and construction of academic and vocational schools and purchase of basic equipment.
3/ Includes grants by Manpower Development Training Act programs and Economic Opportunities Act for Neighborhood Youth Corps.

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COMMONWEALTH SUPPORT--continued

	TOTALS	STATE FUNDS	FEDERAL FUNDS
12. Scholarships for poor students and war veterans in colleges or universities	$ 462,000	$ 462,000	$ --
13. Trust fund under the custody of municipal treasuries for the use of school districts in the purchase of materials, supplies and minor repairs (distributed on enrollment basis)	500,000	500,000	--
14. Vocational rehabilitation	5,201,250	1,041,500	4,159,750
15. Purchase and distribution of shoes to indigent pupils	300,000	300,000	--
16. Public libraries	800,885	461,885	339,000
17. Dramatic Art and Schools of Music	446,700	446,700	--
18. Education of deaf children (Contract with a private institution).	95,000	95,000	--
19. Minor repairs of school buildings	270,000	270,000	--
20. Board of Appeals of the Public Education System	17,600	17,600	--
21. Training:			
a. In-service training	2,117,125	332,500	1,784,625
b. Student Teachers Training Centers	260,000	260,000	--

VIRGIN ISLANDS

PUBLIC SCHOOL FINANCE PROGRAM, 1968-69

VIRGIN ISLANDS PUBLIC SCHOOL FINANCE PROGRAM, 1968-69, is part of a series of individual State documents, cooperatively prepared by the State departments of education and the U.S. Office of Education, providing current program facts on State and local support for local school services. Arthur A. Richards, Commissioner, Virgin Islands Department of Education, served as the authority for preparation and review of this leaflet.

Selected Program Facts

1. The Department of Education in the Virgin Islands (St. Thomas, St. Croix, and St. John) operates all public schools in the three islands under one administrative staff and is financed by appropriations made annually by the Legislature of the Virgin Islands and approved by the Governor. The Budget Director advises the Commissioner of Education, through advice on allotment, of the amount the Department will actually receive. This amount may be less than but cannot exceed the appropriation. A proposed apportionment of allotted funds is prepared by the Commissioner for approval by the Budget Director.

2. All taxes and fees collected in the Virgin Islands, including Federal income tax, are deposited in the Treasury of the Virgin Islands. Additional revenues are derived from contributions from Federal matching funds. A portion of all revenue is appropriated by the Legislature for the operation of the Department. Appropriations are made in fixed amounts for each division and bureau after consideration of the budget proposed by the Governor and legislative hearings involving the Commissioner and Division heads. The islands share the benefits of such national programs as Vocational Education, School Lunch, National Defense Education Act, and the Elementary and Secondary Education Act.

3. One budget for the entire Department of Education, including all public schools and other activities operated under the Department, is prepared by the Commissioner of Education, approved by the Board of Education, and submitted to the Budget Director who compiles a Virgin Islands Government budget for the Governor's approval and subsequent submission to the Legislature. The fiscal year begins on July 1 and ends on June 30 of the following year. Budget forms are prescribed by the Budget Director for all departments of the Virgin Islands Government, including education, and are reviewed and amended by him. The final budget is passed by the Legislature and approved by the Governor.

4. The Virgin Islands Government is authorized to issue bonds. To date the sum, $7,498,000 has been allocated for school construction.

5. Audits of all accounts are made by the Comptroller of the Virgin Islands and the Virgin Islands Department of Finance. The regional auditor of the U.S. Department of Health, Education, and Welfare audits federally supported educational programs, and the regional auditor of the U. S. Department of Agriculture audits the School Lunch Program.

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